INTERFOR
Building Value™



2023

SUSTAINABILITY REPORT

Building value through sound environmental, social and governance practices

Interfor's company-wide approach to sustainability is based on a broad appreciation for what it takes for our Company, and our society, to deliver on the needs of today without compromising our future.

IAN FILLINGER
President and CEO

INTERFOR
Building Value™

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Explore the work Interfor is doing to create a safer, more sustainable and equitable future for all.

3 INTRODUCTION
- 3 CEO Message
- 4 VP, Woodlands & Chief Forester Message
- 5 Building Value Sustainably

11 SAFETY
- 13 Programs & Certification
- 15 Key Metrics
- 18 Contractor Safety

19 PEOPLE
- 21 Employee Development
- 25 Diversity, Equity & Inclusion
- 29 Recruitment & Culture
- 33 Indigenous Peoples
- 40 Communities
- 45 Customers

46 CLIMATE & ENVIRONMENT
- 47 Climate Change
- 61 Forest Values
- 71 Environmental Management
- 78 Sustainable Products
- 82 Infrastructure & Technology

85 GOVERNANCE

89 REFERENCES & METHODOLOGY

97 APPENDICES

> **INTRODUCTION**

CEO Message

VP, Woodlands & Chief Forester Message

Building Value Sustainably

> SAFETY

Programs & Certification

Key Metrics

Contractor Safety

> PEOPLE

Employee Development

Diversity, Equity & Inclusion

Recruitment & Culture

Indigenous Peoples

Communities

Customers

> CLIMATE & ENVIRONMENT

Climate Change

Forest Values

Environmental Management

Sustainable Products

Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



IAN FILLINGER
President and CEO

Message from the President & CEO

As a manufacturing company that relies on a renewable natural resource, Interfor's performance against sustainability criteria is one of the most important signals of the health and success of our Company. Interfor's 2023 Sustainability Report shows a company that is delivering on our commitment to embrace world-leading practices to advance renewable forest products as part of the climate solution.

Our sustainability goals are aligned with Interfor's values, and how we manage our company:

Our highest priority in all we do is safety. This year we achieved our best safety performance ever, with a record low medical incident rate (MIR) across the Company and continued expansion of our safety metrics to our recently acquired operations. While we still have work to do, this year we showed significant progress toward our goal of zero injuries and everyone returning home safely.

Our commitment to our people goes beyond safety, and includes our goal to develop a workforce that reflects the diversity and strengths of our communities. In 2023, we continued to build, grow and offer high-quality learning and development opportunities throughout our workforce, with our employees completing more than 30,000 hours of learning.

This year we also completed a company-wide diversity audit of our operations and a voluntary diversity survey to better understand our employees' experiences as they relate to diversity. We will use the results to develop action plans to address the unique challenges in each of our regions.

Progress on climate and environment remains a fundamental priority for Interfor. As a company we are taking action to reduce our footprint, through efficiency improvements and targets to reduce our emissions, waste and water consumption. This past year clearly demonstrated the importance of action in this area, and its relevance to our business and our communities. Wildfire activity was particularly intense in 2023, threatening not only the forests we rely on, but also our mills and the places we call home. I am exceptionally proud of our employees, our contractors, and the government firefighters who worked tirelessly to save the Adams Lake sawmill in BC.

Ultimately, the work we are doing to enhance our sustainability is all about strengthening the future of our Company and the resilience of our communities. In the actions we are taking across the Company, both small and large, our team is continuing to demonstrate a responsible approach to manufacturing a sustainable product in a way that aligns with broad societal objectives. We look forward to building on our momentum as we go forward.

Thank you for reading.

Ian Fillinger
President and CEO
March 21, 2024

> **INTRODUCTION**
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES



STUART CARD
Vice President, Woodlands & Chief Forester

Message from Vice President, Woodlands & Chief Forester

At Interfor sustainability is something we work toward every day. “Building Value Sustainably” anchors our business strategy, and sustainability principles have always been part of our core Interfor values of safety, operational excellence, and continuous improvement. Our people contribute to our sustainability performance by living the Interfor culture every day.

After releasing our Sustainability Strategy last year, our focus turned to developing and executing on action plans that will make sustainability a more intentional part of every area of our business. This Sustainability Report marks notable progress toward our goals and targets.

Highlights of this year’s report include:

- Expanding of our safety culture and programs to our newly acquired operations.
- Enhancing safety data collection and reporting.
- Completing a company-wide diversity audit and voluntary employee diversity survey.
- Advancing our Board of Directors diversity target by a year.
- Implementing pilot projects to reduce waste and water use at several of our mills, resulting in the establishment of nine individual targets.
- Investing in a host of process and technology innovations across the Company that contribute to emissions reduction and more efficient use of our resources.

We know that sustainability requires continual effort towards achieving our sustainability goals. In 2023, we continued to engage with employees and stakeholders to raise awareness and gather feedback that we will incorporate into our approach to sustainability.

I am excited to share our 2023 report with you and hope you enjoy reading it.

Stuart Card
Vice President, Woodlands & Chief Forester
March 21, 2024

> **INTRODUCTION**

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

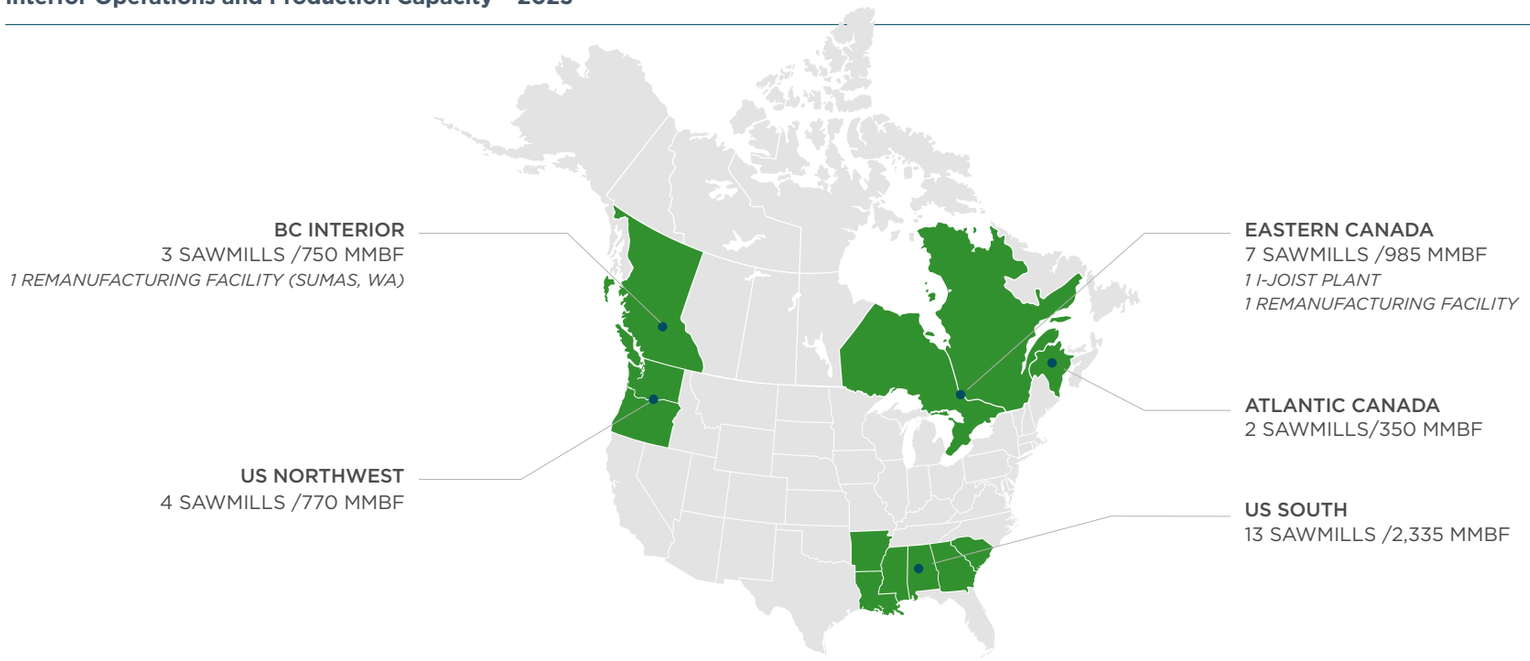
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Interfor Operations and Production Capacity – 2023



Interfor is one of the world's largest lumber producers, with well-positioned facilities across all major timber-producing regions of North America.

We have solidified our reputation as a supplier of high-quality lumber, offering a diverse line of products in markets around the world. We have a history of investing in our people and operations—between 2010 and 2023, we invested more than $3 billion to upgrade our facilities and grow our annual production capacity. Our success is driven by our vision to be the most profitable, valuable and respected forest products company in the world. We know that to achieve this, we must provide our customers with quality products and service. We must invest in people and provide safe, stable and good-paying jobs that support local economies. Finally, we must conduct ourselves and our business with honesty and integrity and be committed to continuous improvement from the forests to our mills.

Building value sustainably is an ongoing effort that requires day-to-day decisions and actions that enhance the value of the products we produce, strengthen the relationships we build, and protect the environments in which we operate.

Decades of Success

In 2023, Interfor proudly marked not just one, but two significant milestones that are symbolic of our commitment to growth, sustainability, and the pursuit of excellence. As we reflect on our remarkable journey, we celebrated 60 years of Interfor's dedication to innovation and quality in the lumber industry, and a decade since we expanded into the US South.

Respecting Nature. Building Sustainably.

> **INTRODUCTION**

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

A Sustainability Strategy to Match our Growth Ambition

As we continue to execute on a long-standing strategy of purposeful growth and geographic lumber diversification, we are committed to growing in a way that makes the world a better place. Our company-wide Sustainability Strategy defines a path that includes both aspirational goals and near-term targets to support this commitment. Our vision is to elevate a culture of sustainability excellence throughout our Company by continuing to embrace world-leading standards and relevant targets.

Our Purpose

Embracing world-leading sustainability practices to advance renewable wood products as part of the climate solution.

OUR GOALS

SAFETY	Our goal is that everyone returns home safely.
PEOPLE	Our goal is to develop a workforce that reflects the diversity and strengths of our communities.
CLIMATE & ENVIRONMENT	Our goal is to have a positive influence on the climate and environment.

> **INTRODUCTION**
- CEO Message
- VP, Woodlands & Chief Forester Message
- **Building Value Sustainably**

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

OUR TARGETS

SAFETY

Reduce our medical incident rate (MIR) by 3% every year, leading to an MIR of <1.5 by the end of 2030.

Zero serious injuries.

For progress updates on our safety targets see **Key Metrics**.

Target Review

We have established a regular sustainability strategy review process. Under this process we review our targets every three years, and set new targets as needed. Our next sustainability strategy review is scheduled for 2025.

PEOPLE

30% of our Board of Directors will be women by our 2024 AGM.

By the end of 2025:

- 40% of employees in leadership and development programs will be from an under-represented group;*
- 15% of our supervisors and superintendents will be women;
- 30% of our hourly trades/skilled workforce will be from an under-represented group; and
- 15% of our hourly workforce will be women.

We completed an audit of our diversity practices in 2023.

* Under-represented groups include women, ethnic and racial minorities, and Indigenous Peoples.

For progress updates on our diversity targets see **Diversity, Equity & Inclusion**.

CLIMATE & ENVIRONMENT

Reduce our Scope 1 and 2 greenhouse gas (GHG) emissions by 40% by the end of 2030, using 2021 as our baseline year.

Continue to refine our Scope 3 emissions inventory and complete external verification of our GHG inventories for our 2023 reporting.

Achieve water and waste reduction targets set for 2024 (see page 73 for details).

Implement Biodiversity Interface Management Plans at 100% of our sawmill facilities by the end of 2024.

Maintain third-party internationally recognized sustainable forest management certification and chain-of-custody certification for 100% of our woodlands and sawmills, respectively.

For progress updates on our climate and environment targets see **Climate Change**, **Forest Values** and **Environmental Management**.

Sustainability Pillars

In addition to our sustainability goals and targets, the following foundational pillars are part of the Interfor Way and integral to our approach to sustainability:

Supporting local communities
We work both locally and through a partnership with Habitat for Humanity International to elevate our impact in communities. See **Communities** for more information.

Investing in our operations
We continue to deliver on a multi-year strategic capital investment program, with the completion of several major projects in 2023. See **Infrastructure & Technology** for more information.

Leading with strong governance practices
We continue to lead with strong governance practices, promoting the long-term interests of our stakeholders, ensuring that we operate sustainably, and building public trust in our Company. See **Governance** for more information.

> **INTRODUCTION**

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

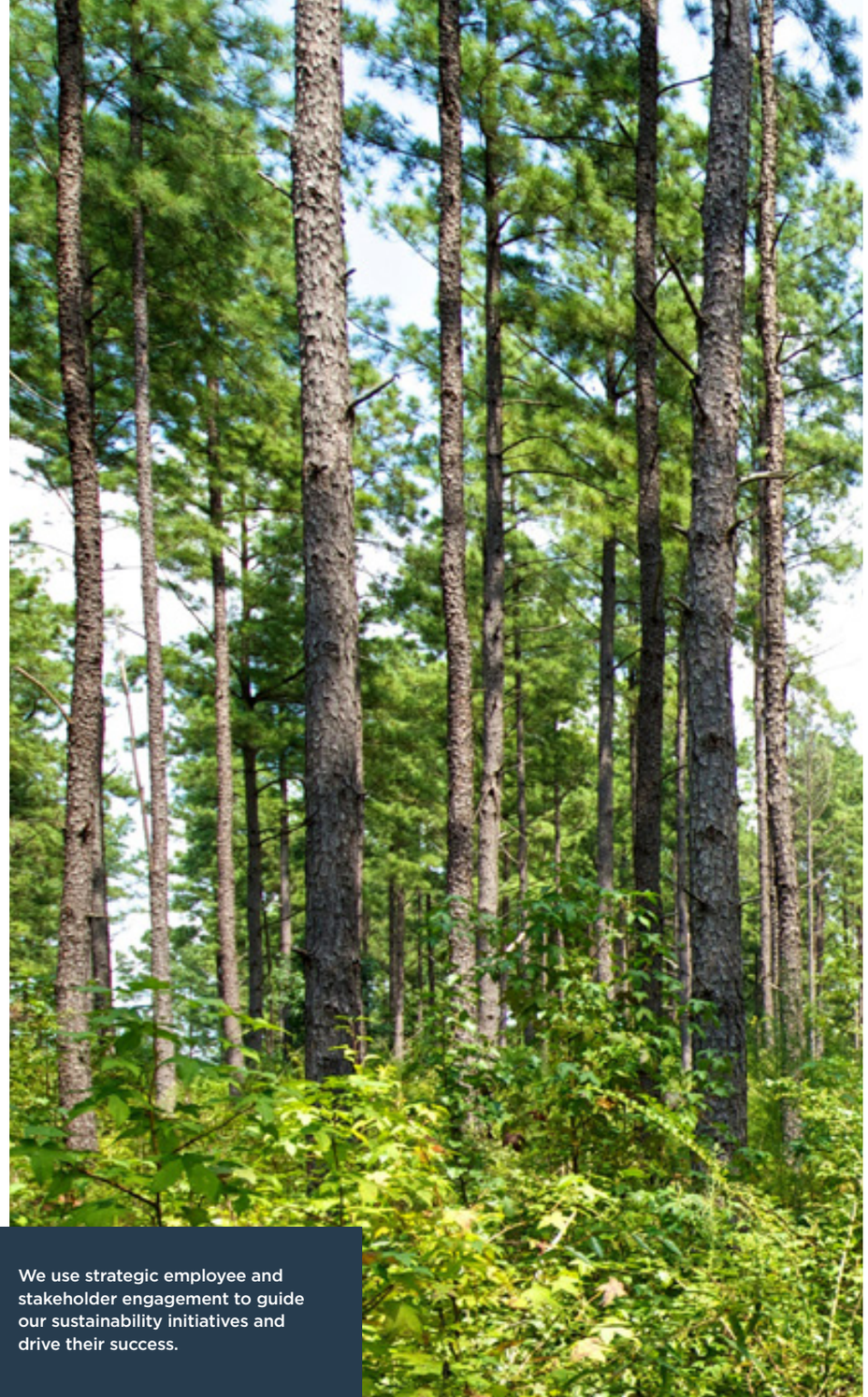
> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



We use strategic employee and stakeholder engagement to guide our sustainability initiatives and drive their success.

Meaningful and Authentic Engagement

Authenticity is the touchstone of our sustainability strategy—we believe it is a critical factor for success. This is why we seek to inform our strategy with honest answers from our executives, our employees, and our stakeholders about what they care about and what matters most to them. In 2023, we conducted a number of engagement initiatives and will continue to incorporate the feedback we received into our sustainability approach.

Employee Feedback

In 2023, as part of our focus on raising employee awareness about sustainability and aligning our initiatives with the matters most important to our employees, we conducted the following engagement and outreach:

- Live sustainability information sessions hosted by our VP of Woodlands & Chief Forester;
- A "Sustainability Is..." campaign to foster engagement and solicit ideas, especially from our hourly employees;
- A Sustainability Intranet site to share updates, resources and collect ideas from employees; and
- A voluntary and anonymous Diversity Survey across our entire workforce (See **Recruitment & Culture** for more details).

Stakeholder Feedback

In addition to the engagement and feedback we solicited from employees in 2023, we also engaged with external stakeholders seeking to understand their perspectives and priorities on sustainability topics. We maintain a sustainability communications plan and will continue to enhance our dialogue with investors, analysts, customers, and communities as part of our Sustainability Strategy. Ongoing dialogue and feedback will continue to be part of a continuous review and improvement process for our strategy. Our external communications include broad corporate engagement and local-level conversations. Examples from 2023 include:

- An in-depth investor perception survey, which included questions specific to sustainability;
- Mill tours hosted for leaders and local government officials; and
- Operational teams participation in local forums and working tables (See **Communities** for more details).

> **INTRODUCTION**

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Supporting the United Nations Sustainable Development Goals (SDGs)

As one of the world's largest forest products companies with operations across North America and customers around the globe, we can make a significant contribution to sustainable development. Our holistic approach to sustainable development, including how we support and contribute to each of the 17 SDGs, can be found in Appendix I.

Sustainable Development Goals Most Relevant to our Business

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	We employed approximately 5,300 people in 2023 and have demonstrated our ability to grow and build value sustainably for our employees, our shareholders and our communities. Our partnerships and agreements with Indigenous nations support economic growth and employment in their communities.
Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Over the last decade, we have spent, on average, more than $148 million each year upgrading facilities and systems to employ the latest technology, improving our operational efficiency, lumber recovery, and environmental and safety performance. We also invest in and deploy new technology in our woodlands operations, leading to improved forest management and logging practices.
Ensure sustainable consumption and production patterns	We are committed to responsible log sourcing and sustainable harvest levels to ensure environmental, economic and social opportunities for current and future generations. We optimize material use in our manufacturing process by using or selling wood residuals for renewable energy or upcycling into other products. We continue to increase the level of disclosure provided in our annual sustainability reporting, including metrics and targets.
Take urgent action to combat climate change and its impacts	We have set a target to reduce our Scope 1 and 2 greenhouse gas emissions by 40% by the end of 2030, using 2021 as our baseline year. Our sustainable forest management practices can increase and extend the carbon storage capacity of forests. Carbon is stored in the long-lived wood products that we produce, and we supply climate-friendly building products to our customers. We have replaced fossil fuels with renewable biomass energy in many of our kilns, and we have participated in wildfire fuel reduction projects to reduce climate-related wildfire risks and improve forest resiliency.
Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	100% of the forested land managed by Interfor is certified to the internationally recognized third-party Sustainable Forestry Initiative® (SFI) standard. We conduct prompt reforestation with a mix of tree species that are native and ecologically suited to each site. We contribute to the conservation of biodiversity through the identification and establishment of ecological reserves, and we support management and recovery initiatives for species at risk.

> **INTRODUCTION**

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

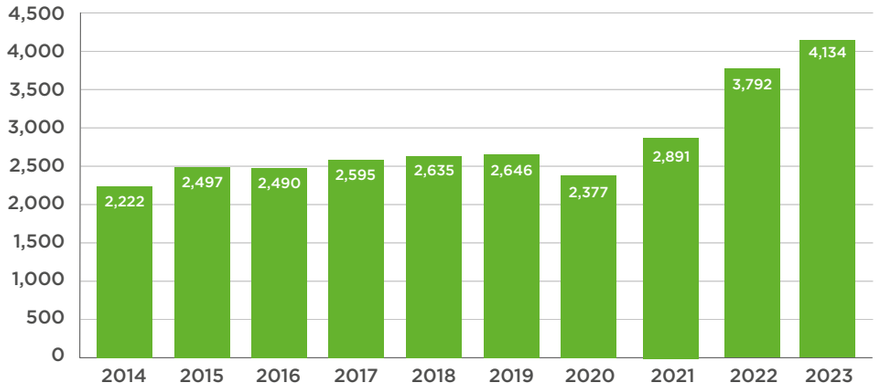


As a growth-oriented company, we are committed to growing in a way that makes the world a better place and we have a vision to elevate a culture of sustainability excellence throughout our Company.

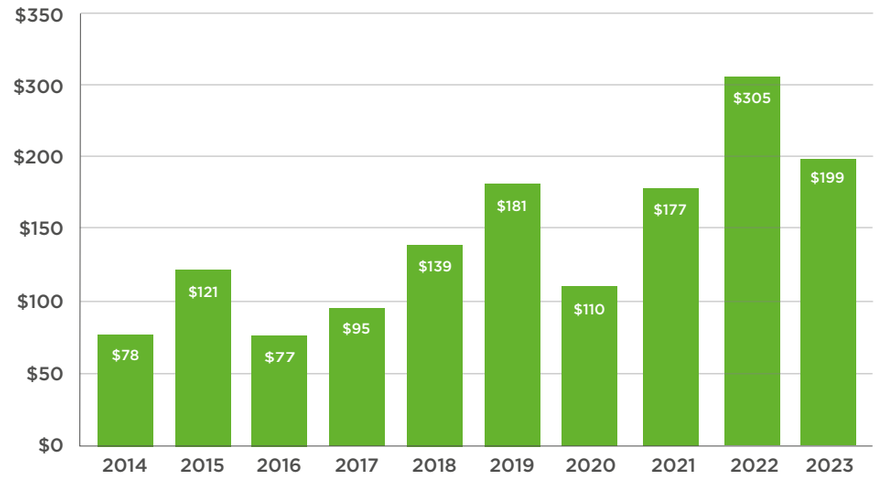
Sustainable Growth

The story of our Company's transformation over the past decade includes the significant growth through acquisitions as well as the investments we've made to increase efficiency and capacity in our existing facilities. Responsible growth includes embracing world-leading safety and environmental standards, and establishing a consistent culture and approach across our operations.

Lumber Production Volumes (MMBF)



Capital Investments in Existing Facilities ($MM)



> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> **SAFETY**
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

SAFETY

In everything we do, every day, safety comes first.

13 Programs & Certification

15 Key Metrics

18 Contractor Safety

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> **SAFETY**

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



OUR GOAL is that everyone returns home safely.

We have set interim targets to have zero serious injuries and to reduce our medical incident rate (MIR) by 3% every year as we grow, based on a three-year rolling average.

Our commitment to safety can be felt during a visit to any of our operations. It is the touchstone of our culture.

Our safety performance shows that we are making progress, with a medical incident rate (MIR) below the industry average and a decline in the average severity of incidents. Our employees remain keenly focused on improving safety at our operations, striving to create an injury-free workplace.

Safety is a shared responsibility. Providing a safe work environment is a fundamental obligation of the Company, and managers and supervisors are accountable for implementing training and enforcing safe work practices. Each employee has a responsibility to ensure that they and their colleagues follow safe and approved work practices.

Our interim targets to eliminate serious injuries and reduce our MIR annually both support our ultimate goal of everyone returning home safely.

> INTRODUCTION

CEO Message

VP, Woodlands & Chief Forester Message

Building Value Sustainably

> **SAFETY**

Programs & Certification

Key Metrics

Contractor Safety

> PEOPLE

Employee Development

Diversity, Equity & Inclusion

Recruitment & Culture

Indigenous Peoples

Communities

Customers

> CLIMATE & ENVIRONMENT

Climate Change

Forest Values

Environmental Management

Sustainable Products

Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Programs & Certification

Safety Policies, Programs and Oversight

Health and safety is built into everything we do as a company. We have one overarching Health and Safety Policy, and every operation has documented procedures for safe work, hazard identification and risk assessment, as well as regular health and safety training programs and initiatives. Our comprehensive foundational safety programs cover everything from personal protective equipment to confined space awareness. We assign mentors and peers to guide new employees through their onboarding. We track progressive learning and training, including a verification process where employees demonstrate their safety comprehension by completing annual refreshers and certifications.

Our Drug and Alcohol Policy has zero tolerance for on-the-job drug or alcohol use and includes accommodation and support for employees struggling with substance abuse.

Each of our operations has a safety committee made up of supervisors and hourly employees who meet regularly to review and resolve hazards, complete site inspections, and share information and best practices.

We set targets for leading indicators to prevent incidents and injuries, and identify trends by tracking and analyzing leading and lagging indicators. Quarterly reports are provided to the Environment & Safety Committee of our Board, which has direct oversight over health and safety matters.

We encourage employees to report their safety concerns and we protect them from retaliation. We provide a confidential whistleblower hotline as an additional resource for our employees to report any safety concerns.

Our regional safety programs prescribe the aspects of our safety program that employees and contractors are accountable for, including:

- Understanding safe work practices
- Reporting unsafe acts and conditions
- Refusing unsafe work
- Safely following both standard operating and emergency preparedness procedures

Safety Compliance and Certifications

We are subject to US and Canadian occupational safety laws and all of our operations are subject to unannounced inspections by regulated health and safety authorities to verify compliance with safety regulations and standards. We also self-audit our operations to measure and improve performance. Interfor's safety performance benefits from external safety certifications and memberships based on third-party auditing, verification, and annual reporting, including:

- Our BC woodlands, including our major contractors, are certified by the BC Forest Safety Council's SAFE Companies program;
- We have achieved BC Forest Safety Council MAG-SAFE Certification or BASE recognition in our BC manufacturing facilities;
- Our Ontario woodlands operations are Safe Work Ontario (SWO) certified; and
- Through our memberships in the Western Wood Products Association, Workplace Safety North and Le Conseil de l'industrie forestière du Québec, we collaborate and benchmark with our peers.



> INTRODUCTION

CEO Message

VP, Woodlands & Chief Forester Message

Building Value Sustainably

> **SAFETY**

Programs & Certification

Key Metrics

Contractor Safety

> PEOPLE

Employee Development

Diversity, Equity & Inclusion

Recruitment & Culture

Indigenous Peoples

Communities

Customers

> CLIMATE & ENVIRONMENT

Climate Change

Forest Values

Environmental Management

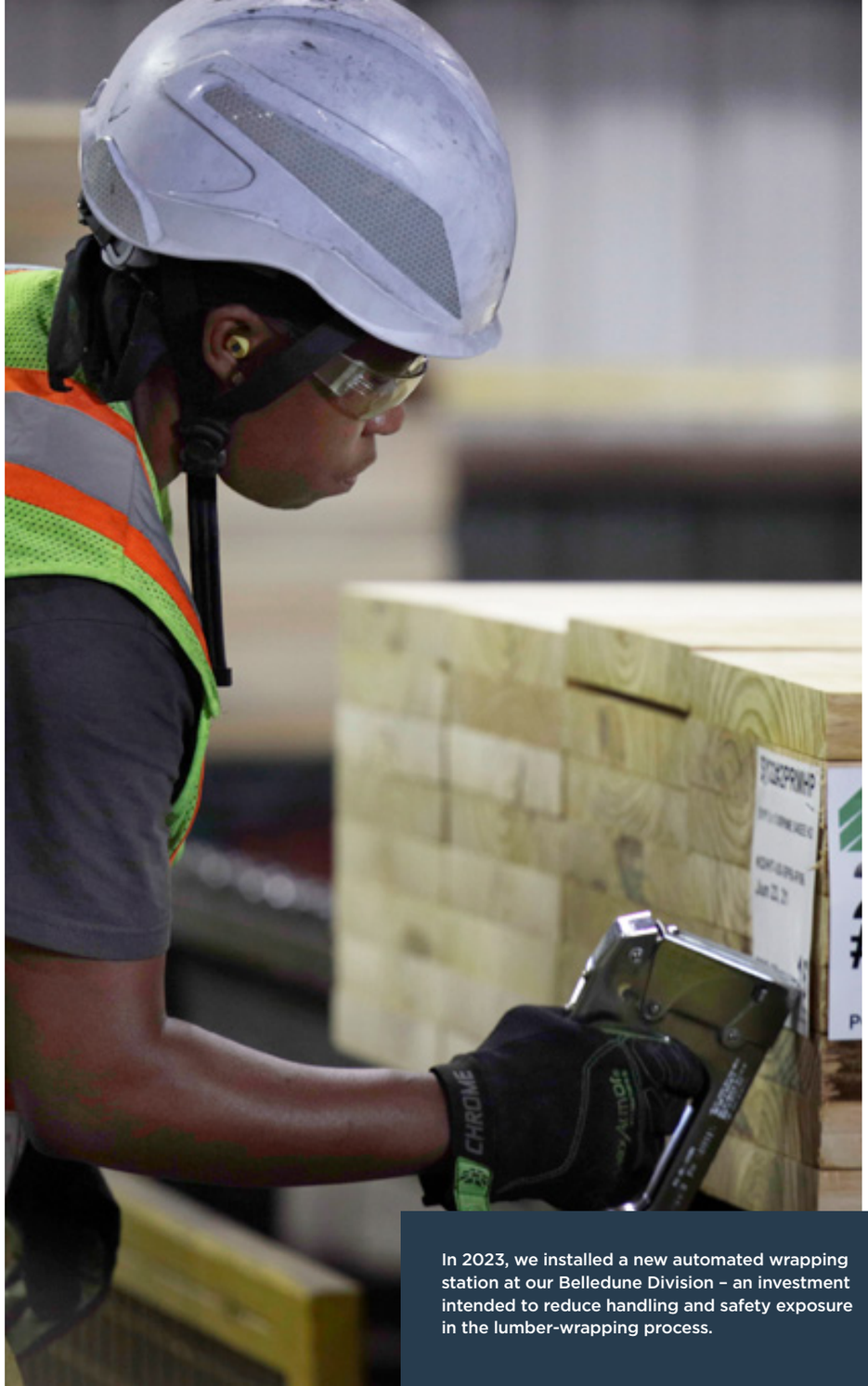
Sustainable Products

Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



In 2023, we installed a new automated wrapping station at our Belledune Division – an investment intended to reduce handling and safety exposure in the lumber-wrapping process.

2023 Safety Initiatives

Continuous improvement is built into our safety program and culture. A few of the initiatives that we focused on in 2023 include:

- **Loss Prevention Program**: Our Loss Prevention Program is well developed and designed to remove the risk of loss. Each mill is given a risk score and works to improve this year over year. Our Loss Prevention Handbook provides our mills with guidance and standards. We are committed to updating and improving our facilities so they and our employees do not suffer the consequences of fire, flood, hurricane or site security breaches.

  In this program, we focus on various initiatives to keep our people and our infrastructure safe, including:

  - Implementing a Hot Work Policy to mitigate risk of fire ignition by mill operations;
  - Preparing for and fighting wildfires; and
  - Planning for major weather events.

  To further encourage continuous improvement on this front, we have regular Loss Prevention site visits by both external engineers as well as our internal loss prevention team to help us identify risks and find potential solutions.

- **Workplace Violence Prevention and Active Shooter Training**: In 2023, our US South operations conducted Workplace Violence Prevention and Active Shooter training for all mill leadership teams. Our front-line leaders were trained to recognize employee behaviors that may indicate the risk of workplace violence and how to respond in the event of an incident.
- **Mobile Equipment-Pedestrian Interface**: In 2023, we continued our focus on eliminating risks in our mobile equipment-pedestrian interface and worked to implement our standards in our Eastern and Atlantic Canada operations. Under this program, we are installing vehicle safety technology in all loaders and forklifts including pedestrian detection systems and dash cams. We also have a halo light projection system on utility forklifts that operate indoors or in dry sheds. This improves visibility and awareness for both operators and pedestrians. We have designated crosswalks and walkways with protective barriers to prevent employees from being struck by moving equipment.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> **SAFETY**
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Key Metrics

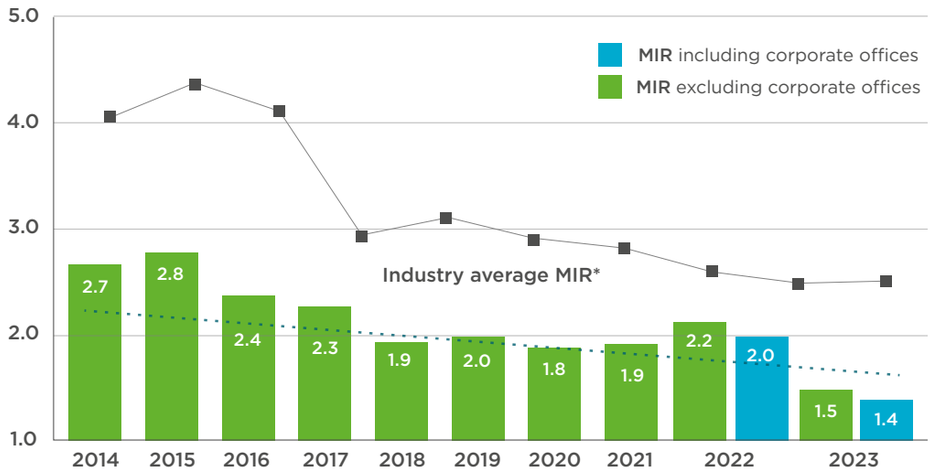
Targets and Performance

Our goal is that everyone returns home safely, so our medical incident rate (MIR) and lost time frequency rate (LTFR) targets are both zero. We track both rates and the severity of incidents within each, and the downward trend over the last decade indicates progress toward our goal. We distinguish an MIR of less than 2.0 as a meaningful threshold. In 2023, the majority of our facilities achieved an MIR of less than 2.0. We also achieved our target of reducing our MIR by 3% (based on a three-year rolling average) and 28 of our facilities had zero serious injuries.

MIR & LTFR
METHODOLOGY UPDATE

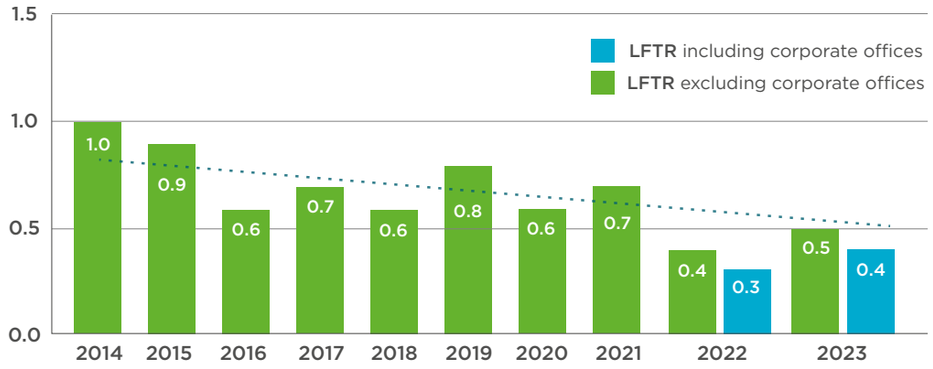
We care about the safety of all employees regardless of where they work. In 2022, we began including our corporate offices in our internal company-wide MIR tracking and reporting. Our target to reduce our MIR by 3% annually remains unchanged regardless of this methodology change. To help provide consistency when tracking our performance, we are reporting MIR as it was tracked historically and using our new methodology from 2022 forward.

Interfor Medical Incident Rate



* The industry average MIR is from the British Columbia Manufacturing Advisory Group (BC MAG) for solid wood producers. We work with several different organizations across our operations to track and benchmark safety performance with our peers. The BC MAG has the lowest industry average MIR.

Interfor Lost Time Frequency Rate



** Lost time incidents include any in which an employee loses one or more days from work due to an occupational injury or illness.

INTERFOR		
YEAR	MIR	Fatalities
2014	2.7	0
2015	2.8	0
2016	2.4	0
2017	2.3	0
2018	1.9	0
2019	2.0	1
2020	1.8	0
2021	1.9	0
2022	2.2	1
2023	1.5	0

MIR and LTFR Calculation

The MIR is calculated by multiplying the number of recordable incidents by 200,000 and dividing this by the number of hours all employees actually worked. The 200,000 hours represents 100 full-time equivalent employees working 40 hours a week for 50 weeks. Recordable incidents include: medical treatments, lost-time incidents, restricted work incidents, and fatalities. The LTFR is calculated using the same method for lost time incidents.

INTERFOR		
YEAR	LTFR	LT Incidents**
2014	1.0	25
2015	0.9	26
2016	0.6	16
2017	0.7	22
2018	0.6	19
2019	0.8	24
2020	0.6	15
2021	0.7	21
2022	0.4	16
2023	0.5	23

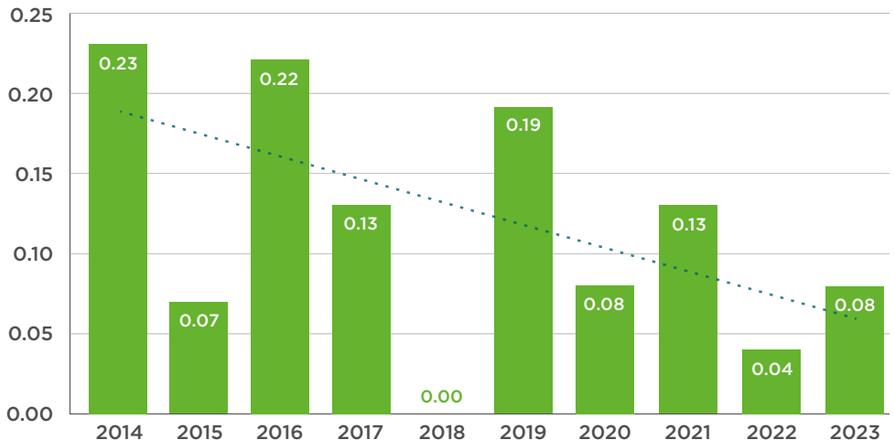
Note: Figures reported in tables reflect historic methodology (excluding corporate offices).

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> **SAFETY**
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Serious Injuries

Serious injuries are a subset of work-related employee recordable incidents. They include life-threatening or life-altering injuries or injuries that result in a fatality. While the MIR and recordable incidents continue to be a focus for our safety performance and reporting, we also track and report on serious injuries, with a goal to eliminate them. Currently serious injuries make up approximately 6% of all our recordable injuries.

Interfor Serious Injuries Rate



INTERFOR		
YEAR	Exposure hrs	Serious Injuries
2014	5.2	6
2015	5.9	2
2016	5.5	6
2017	6.1	4
2018	6.4	0
2019	6.3	6
2020	5.3	2
2021	6.4	4
2022	9.0	2
2023	10.2	4

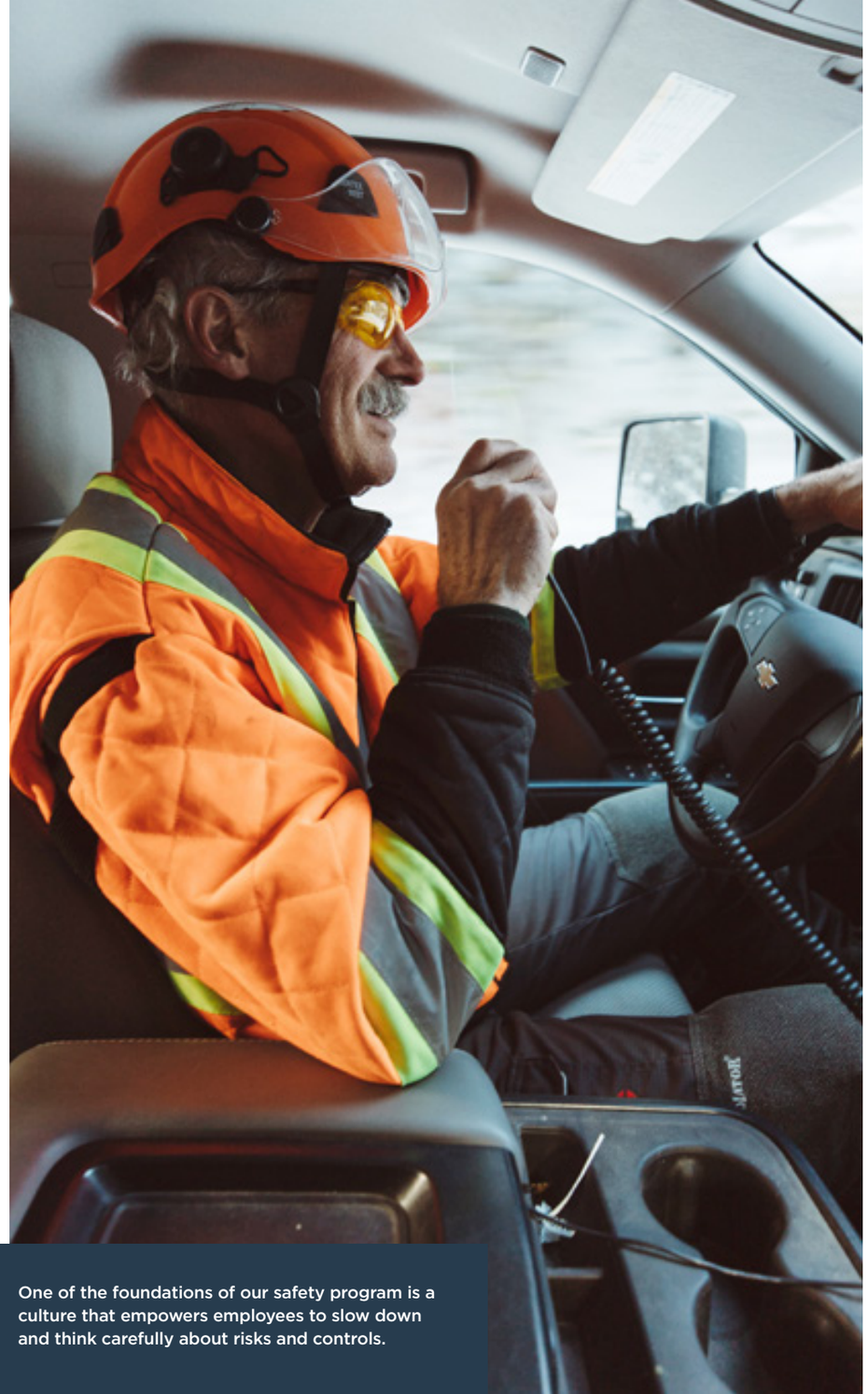
Serious Injuries Rate

Similar to the MIR, the serious injuries rate is the number of serious injuries per 100 employees working full time in a year. It is calculated by multiplying the number of serious injuries by 200,000 and dividing this by the number of hours all employees actually worked.



Surrounding this machinery, our commitment to employee safety is evident through stringent safety measures, including the use of personal protective equipment, guardrails, and clear signage, all within an environment that is well-maintained and orderly.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES



One of the foundations of our safety program is a culture that empowers employees to slow down and think carefully about risks and controls.

Lost Working Days and Occupational Disease

LOST WORKING DAYS AND OCCUPATIONAL DISEASE			
YEAR	2021	2022	2023
Lost Working Days*	1,528	1,024	883
Lost Day Rate**	48	23	17
Occupational Disease Cases*	1	4	0

* Determined using OSHA methodology, includes work-related stress leave, ** Calculated using lost days multiplied by 200,000 and divided by total number of hours all employees actually worked

Proactive Safety Indicators

Proactive Safety Reports and Safety Alerts

Proactive safety reports are leading indicators that make the most significant impact on reducing incidents. They include near-miss reports, hazard reports, safety action reports and observation reports. Safety Alert bulletins summarize events and learnings, and offer direction on preventative and corrective actions that could be implemented to prevent future incidents.

PROACTIVE SAFETY REPORTS AND SAFETY ALERTS			
YEAR	2021	2022	2023
Proactive Safety Reports Completed	48,896	48,747	46,100
Safety Alerts Shared	49	131	114

Serious Injury or Fatality Potential (SIFp) Events

An SIFp event is one that is both possible and probable of resulting in a fatality or life-altering injury if circumstances were slightly different. The way we investigate and communicate the findings and corrective actions of an SIFp event is as similar as possible to an actual fatality investigation. This includes immediate senior-level onsite involvement, re-enactments, interviews and safety alerts. We began tracking SIFp events in 2020.

SERIOUS INJURY OR FATALITY POTENTIAL (SIFp) EVENTS			
YEAR	2021	2022	2023
Interfor Total SIFp Events	**14**	**13**	**14**
Near-Miss SIFp Events	10	13	9
Significant Injury SIFp Events	4	0	5
Total Exposure Hours (MM)	**6.4**	**9.0**	**10.2**

See the **Contractor Safety** section for SIFp tracking with our woodlands contractors.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> **SAFETY**
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

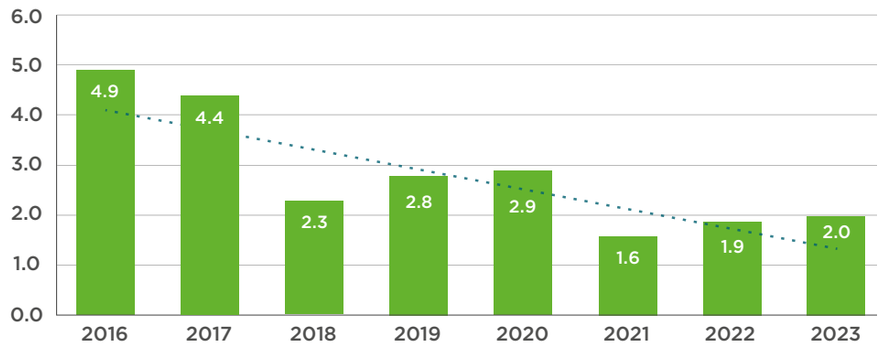
Contractor Safety

A contractor's commitment and ability to keep employees safe and healthy is of utmost importance to us. At all of our worksites, contractors must sign in and receive an orientation before they begin work so they are able to meet the current requirements at each site. Monitoring and reporting of safety hazards, incidents and compliance is part of our ongoing, regular interaction with contractors.

Woodlands

We work with contractors in our woodlands operations to track and report their MIR, and improving their performance is a key focus. The MIR for woodlands contractors has declined over the last nine years and is lower than the industry average for forestry operations. We recognize that we still have more work to do, and we commend our contractors for the progress they have made and their continued commitment to safety.

Contractor MIR (Interfor Woodlands)



WOODLANDS CONTRACTORS		
YEAR	MIR	Fatalities
2016	4.9	0
2017	4.4	0
2018	2.3	0
2019	2.8	0
2020	2.9	0
2021	1.6	0
2022	1.9	0
2023	2.0	0

Woodlands contractor MIR and SIFp reporting for 2023 includes all Canadian operations.

Over the last several years, we have been tracking Serious Injury or Fatality Potential (SIFp) events with our woodlands contractors. See our **Proactive Safety Indicators** section for more information on this metric. In addition to the metrics provided for woodlands contractors, we have also begun tracking SIFp with non-woodlands contractors.

WOODLANDS CONTRACTOR SIFp EVENTS			
YEAR	2021	2022	2023
Total Woodlands Contractor SIFp Events	**7**	**9**	**13**
Near Miss SIFp Events	6	7	10
Significant Injury SIFp Events	1	2	3
Exposure Hours (M)	**1.4**	**1.7**	**2.4**

Capital Projects

We require that capital project contractors demonstrate due diligence and report on key safety metrics. Each capital project plan incorporates safety as a key aspect, providing clear directions on safety standards and expectations covering topics such as lockout, hot work, incident investigation expectations, crane and lifting safety, confined spaces, and platform and walkway installation.

CAPITAL PROJECT CONTRACTOR MEDICAL INCIDENT RATE



> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

PEOPLE



Interfor builds value for employees, Indigenous partners, communities and customers.

21 Employee Development

25 Diversity, Equity & Inclusion

29 Recruitment & Culture

33 Indigenous Peoples

40 Communities

45 Customers

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



OUR GOAL is to develop a workforce that reflects the diversity and strengths of our communities.

We have a culture of promoting from within and we have set targets to increase diversity in our leadership and workforce by 2025.

Our people define who we are as a company. Our culture is formed by the core values of our employees, how we take care of each other, and how we show up for our customers and communities.

We are committed to supporting our people. That starts with living our core values and fostering a respectful and inclusive workplace. It includes recognizing potential and investing in the growth and development of our internal talent. It also means acknowledging the challenges that our employees face and supporting them both on and off the job.

We are excited to share the work we are doing and the goals we are working toward to bring out the best in our employees and to foster a diverse and inclusive workforce.

2023 Highlights

- More than **$2.8 million** spent on learning and education.
- **694** courses offered through our online learning management system.
- More than **30,000** hours of learning completed by employees.
- **59%** of openings filled by internal promotions.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Employee Development

Home-Grown Talent

At Interfor, we invest in our people because we know the best talent is home-grown. We provide significant opportunities for our employees to grow, prosper and develop their abilities under the guidance of experienced and skilled mentors. Our focus on employee development has been key to our high number of internal hires.

We also know the importance of a diverse and inclusive workforce and believe that our internal development culture and programs are a critical component for fostering diversity and inclusion. A key objective within our development programs is to support and empower under-represented employees. More information on our diversity and inclusion targets can be found in **Diversity, Equity & Inclusion**.

We recognize the value of strategic, targeted training and through our learning and development programs we:

- Complete analysis and internal evaluations to understand our people and their training needs;
- Set short-, medium- and long-term targets for training and development of our employees;
- Evaluate training programs for continuous improvement using feedback from employees; and
- Anchor key learnings from training and education programs by requiring homework, follow-up questions, and manager sign-off on new skills.

For details on the metrics included throughout this report please see **References & Methodology**.



In 2023, Interfor, together with industry partners, developed and launched a new Saw Filer Apprenticeship training program to address a significant need in industry-wide education. This program welcomed its first cohort this year, reflecting a collaborative effort to enhance professional development within the industry. See more in Investing in Skilled Trades.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

A Framework for Operational Excellence in Sawmilling

We work with every one of our employees to build a vision of what they want from their careers and have established a framework to support their growth toward that vision.

It begins with a structured and robust onboarding process for all new hourly and salaried employees, which wraps up with a thoughtful conversation about career path options. From there, we offer a range of development and training programs tailored to our business, and each year we support cohorts of our employees through:

Understanding the Log-to-Lumber Process: The Industrial Wood Processing Program is a one-year course that provides an understanding of the log-to-lumber process. It includes an overview of the basic wood processing cycle, including details on sawmill technology and tools, quality control and kiln drying of lumber. It is offered to our employees through the British Columbia Institute of Technology (BCIT). Interfor has supported 115 employees who have graduated from the program since it began in 2018, and 37 employees were active students in 2023.



Our LEAD-X training program supports the development of leadership skills and is tailored to our business and operations.

Learning to Build Value Sustainably: The Business of Sawmilling Course provides graduates with essential business skills and enables them to seek greater opportunities as leaders in the forest products industry. Once successfully completed, employees receive an Associate Certificate from BCIT. Interfor has supported 23 employees in completing this course and had 20 employees active in the program in 2023.

Developing Leadership Strengths: We have tailored internal leadership programs to support the growth and development of our supervisors and superintendents and overall leadership culture. These programs include:

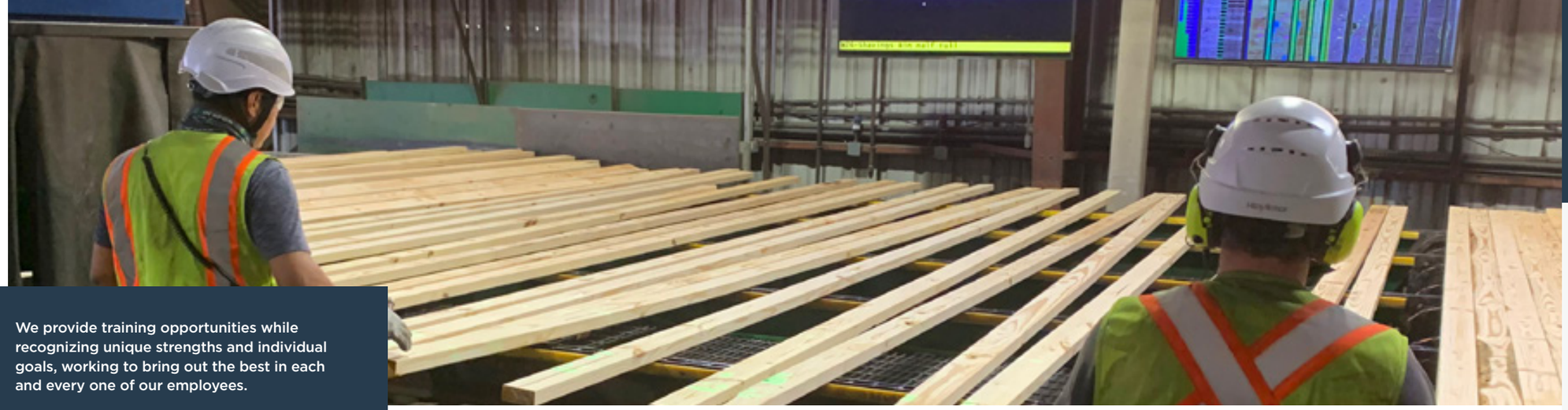
- **LEAD-X**: A one-year program designed to increase self-awareness, communication, team building, critical thinking and leadership skills. Developed and led by our own in-house experts and leaders, this training is specific to our operations and business standards. The program format includes e-learning courses, virtual workshops hosted by our senior leaders and one-on-one coaching through the BetterUp coaching platform. Since it was launched in 2018, 143 employees have completed the program, and 169 were active in 2023.
- **Senior Leader Development Program**: In 2023, six leaders participated in the pilot cohort of this three-year program. It pairs Interfor leaders with members of our executive team to receive mentorship along with third-party executive education. The program is structured to provide future senior leaders with exposure to and understanding of all aspects of our business and demonstrates our culture of valuing internal talent.

Supporting Operational Excellence: Millwrights play a vital role in keeping our equipment running efficiently and our mills performing with operational excellence.

See **Investing in Skilled Trades** for further details on how we support our employees in attaining skilled trade designations.

Building a Peer Network

One of the benefits of our training program framework and cohort model is the opportunity for employees from the diverse regions of our Company to come together to share ideas, perspectives and challenges. We have found that a company-wide network of peers is something that many of our employees value and this benefits our operations.



We provide training opportunities while recognizing unique strengths and individual goals, working to bring out the best in each and every one of our employees.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Supporting Individual Needs and On-Demand Training

In addition to the tailored programs we have developed and offer annually, we also support on-demand training for employees that is focused on their individual needs and career paths. Some highlights and examples from 2023 include:

Job Training & Progression Plans: In our US operations, we completed the roll-out of our Job Training and Progression program for production employees. It encourages cross-training, recognizes skill proficiencies and facilitates the development of additional skills.

On-Demand Learning: We continued to develop and offer an array of courses through our online learning management system that supports everything from new-hire orientation to helping employees learn about Interfor's role in mitigating climate change. In 2023, we offered a total of 694 different courses, including 129 new courses built in-house, and employees completed nearly 25,000 hours of online learning.

Virtual Education Sessions: Virtual education sessions, originally adopted while in-person training was suspended during the COVID-19 pandemic, have continued to be a popular format, providing accessible and relevant learning opportunities. Facilitated by internal subject-matter experts, these sessions allow employees to learn and develop a general understanding of their own and other departments and business units.

Encouraging Professional Development

Our business relies on professionals such as foresters, engineers, accountants, lawyers, and IT and HR specialists. As part of our commitment to employee growth and development, we help certified and articling professionals meet their annual training and education obligations. For example, we are currently supporting Foresters and Forest Technologists in Training to meet the requirements of the Forest Professionals BC articling procedures as well as supporting our US Foresters to meet a Registered Forester license in their state and/or a Timber Operations Professional certification. Additional support is available for accountants working toward a Certified Public or Chartered Professional Accountant (CPA) designation and HR professionals working toward Chartered Professional in Human Resources (CPHR) and Society for Human Resource Management (SHRM) designations.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Investing in Skilled Trades

Millwrights play a vital role by keeping our equipment running efficiently and our mills performing with operational excellence. In 2016, we realized there was a shortage of skilled millwrights and limited opportunities for individuals to enter the trade, particularly in our US operating regions. In response, we invested in our own millwright apprenticeship program, working with NAIT (Northern Alberta Institute of Technology) and ultimately developing our own internal training. In 2019, we hired a full-time instructor and built our own Interfor Center for Trades Excellence in Perry, GA, where we continue to provide in-person instruction as well as practical hands-on learning experience.

We run robust training programs for employees, which include:

- **The Millwright Apprenticeship Program** involves a three-year commitment to become a certified Journey Millwright. The program has three key components: virtual learning, hands-on workshops and on-the-job learning.
- **The Advanced Mechanical Training Program** was introduced in 2023 to enhance current knowledge and skills of our maintenance staff and is replacing our previous accelerator training. The first workshop, focused on lubrication, was held in November 2023. Workshops on 10 additional maintenance skills will be offered starting in 2024.
- **The Saw Filer Apprenticeship Program** in our US operations supports career development by allowing employees to earn while they learn. This three-year program is registered with the Department of Labor and consists of three components: weekly virtual training sessions, hands-on workshops, and on-the-job training.

US Trades Program Highlights

127 participants including:

- **68** active apprentices working toward millwright certification, including two women;
- **29** advanced mechanical training participants;
- **10** accelerator training participants; and
- **20** saw filer apprentices gaining experience.

In 2023 we invested more than $7,000 per millwright apprentice and paid wages for more than 23,000 classroom and study hours.

Hands-on workshops are held at Interfor's Center for Trades Excellence in Perry, GA and Simonds International Tech Center in Florence, SC.

Our Millwright Apprenticeship Program is registered as a National Apprenticeship Program by the US Department of Labor that credits Millwright Apprenticeship graduates with 45 college credits. Only 15 additional credits are required to complete an Associates degree with Central Georgia Technical College.

In Canada, we work with provincial industry training authorities for education, on-the-job training and certification of millwrights. In 2023, we had more than 44 apprentices actively training in our Canadian operations.

" Learning new things has always been important to me. Being a saw filer has given me so much knowledge and confidence as a woman in a trade. Women who empower women are the best kind of people. This is just my way to encourage women to go out of their comfort zone and go into a trade."

Anne Lacroix, Timmins Division, Ontario



> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Diversity, Equity & Inclusion

At Interfor, we know how important and beneficial it is to have a diverse workforce, equitable practices and an inclusive culture and we understand that fostering all of these is a continuous process.

That's why as part of our strategy and commitment to sustainability, we have a goal to develop a workforce that reflects the strengths and diversity of our communities. To reach this goal, we're continuing to build and understand our baseline, identify and work with best practices, and implement targets to drive meaningful change.



Building upon our Baseline

In 2022, we set a target to complete an audit of our diversity practices by the end of 2023. Throughout the year, we actively involved our employees in this initiative through a voluntary and anonymous survey, seeking insights to pinpoint priority areas. To delve deeper into the identified focus areas, each division conducted workplace assessments, laying the groundwork for customized action plans. These plans will be crafted to address the specific needs of employees in each division, acknowledging the distinct and unique challenges faced by each region.

TARGETS AND PERFORMANCE

METRIC	TARGET		PERFORMANCE	
	VALUE	YEAR**	2022	2023
Women on our Board of Directors	30%	2024	27%	25%
Employees in leadership and development programs from an under-represented group*	40%	2025	28%	33%
Hourly trades/skilled workforce from an under-represented group*	30%	2025	36%+	35%
Women in our hourly workforce	15%	2025	7%	8%
Women supervisors and superintendents	15%	2025	9%	10%

Learning as We Grow In 2023, we developed and implemented regular internal reporting on our diversity metrics by region, to support progress on our targets. This process led to the identification of inconsistencies in how we classified different jobs as they related to our diversity metric categories and efforts to standardize our approach. Addressing these discrepancies has led to us restating our 2022 results for several of our metrics and contributed to us surpassing our targets in one of the categories. Another change is the inclusion of employees from our recently acquired Ontario, Québec and New Brunswick regions in our 2023 reporting. Our 2023 results also reflect the progress we've achieved with enhanced focus and efforts to increase diversity in our workforce. These targets are due for review as part of our regular sustainability strategy review in 2025, and new targets will be set at that time.

* Under-represented groups include women, ethnic and racial minorities, and Indigenous Peoples. Employees who declined to identify their gender or race/ethnicity are assumed not to belong to an under-represented group.

** All targets refer to end of year indicated, with the exception of "Women on Board of Directors" which refers to the AGM in May, 2024.

+ Restated value.

In 2023, 41% of our overall workforce was from under-represented groups including women, ethnic and racial minorities, and Indigenous Peoples.



47% of our external hires were from under-represented groups



38% of our talent pool (individuals identified for promotion) were from under-represented groups



29% of our supervisors and superintendents were from under-represented groups

Understanding our Baseline

In 2022, we began gathering Canadian employee demographic information through voluntary surveys to gain a comprehensive insight into the diversity of our workforce. When individuals opted not to specify their gender or race/ethnicity, we presumed that they did not fall into any under-represented categories. In the United States, employees self-identify their demographic information upon hiring.

As we move forward, we are committed to refining our baseline to ensure the development of programs that optimally support our employees and enhance our diversity initiatives.

All performance metrics are as of December 31, 2023. For details on the data included in our targets and related performance please see **References & Methodology.**

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Respecting, valuing and engaging our employees is one of our core values. We believe this includes building a common platform of understanding.

Growing our Understanding

African-American History

Our goal is to continue to build a common platform of understanding so we can better support and engage all of our employees. Through training, campaigns and celebrations, we seek to educate, raise awareness and ultimately come together to address current social issues and challenges:

- Interfor celebrates Black History Month with education sessions, events and luncheons hosted at our divisions, contributions to local charities, and trivia highlighting the achievements and contributions of African-American scientists, inventors and more.
- Our US employees celebrate Juneteenth, and in 2023 this included luncheons for employees and an educational session on its history delivered by Akinyele Omowale Umoja, a respected author, activist, and professor at Georgia State University. During this information session, the topics covered included early history, major challenges and the post-civil rights continuing legacy of oppression.

Taking Action to Attract Diverse Candidates

As part of our recruitment strategy, we conducted targeted outreach to Historically Black Colleges and Universities (HBCUs). Throughout 2023 we have had campaigns actively targeting students from HBCUs through campus-specific recruiting tools.

HISTORICALLY BLACK COLLEGES AND UNIVERSITIES (HBCUS) ENGAGED



> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- **Diversity, Equity & Inclusion**
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Indigenous Cultural Awareness and Understanding

Our executive and salaried staff have completed Indigenous Cultural Awareness Training with the objective of building a fundamental understanding of Indigenous history in Canada, including the ongoing legacy of colonization and residential schools. The Human Resources team in our Eastern region completed cultural awareness training that focused on ways to address some of the unique barriers and challenges for recruitment and retention of Indigenous individuals. Many staff who work directly with Indigenous communities have attended in-community workshops with Indigenous Elders or joined region-specific training to learn more about Indigenous history and culture.

In our Canadian operations, we work with our Indigenous partner communities to identify Indigenous individuals interested in pursuing a career in the forest sector so we can provide them with work experience, mentorship and post-secondary education support.

In 2023, we continued offering Indigenous Cultural Awareness Training to all salaried employees across the organization in recognition of both Orange Shirt Day and the National Day for Truth and Reconciliation.



In Canada, on the National Day for Truth and Reconciliation, we not only reflect on our shared history and commitment to a journey of understanding and healing, but we also wear orange shirts as a symbol of solidarity.



Photo credit: Toby Jeffreys

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Taking Action to Attract and Retain Women

Women still face challenges in our industry, and we are committed to breaking down barriers so they have an equal chance of success. Historically, women have not had a strong representation, especially in operational roles. As part of our diversity strategy, we have set targets and are taking action to increase representation of women in our operational and front-line leadership positions. We celebrate the women in our workforce and give them a platform to inspire and encourage others.

We've hosted or participated in virtual roundtables and women-specific recruitment events like Women in Sawmilling in 2023, which focused on supporting women in our workforce to share stories about their career paths and showcase the possibilities in our industry.

Part-time Shifts

We offer part-time and casual shifts at several of our sawmills, to attract a greater diversity of candidates, such as parents with childcare restrictions. We have found that one- or two-day weekend shifts attract a greater gender diversity in applicants and casual shifts provide an opportunity for individuals to try out the work and decide whether to commit to it full-time.

Supporting New Mothers

Interfor recognizes the need for private and comfortable spaces to support lactating mothers while at work. Over the past several years, we implemented new standards for lactation rooms at a number of our sites including locking doors, adequate heating and ventilation, refrigeration capacity, access to potable water for washing, comfortable seating and table space.

Personal Protective Equipment for Women

At Interfor, we believe it is important that everyone feels comfortable, safe and valued in the workplace. Traditional personal protective equipment (PPE) designed for men can be ill-fitting for women. Our team has identified available vendors so our operations can provide women in our workforce with PPE options that are a better fit for smaller frames, heights and shoe sizes, resulting in greater comfort and superior protection.

WOMEN IN OUR WORKFORCE
IN 2023, 13% OF OUR OVERALL WORKFORCE WERE WOMEN





Women in Trades Tour

The Thompson Rivers University (TRU) Women in Trades program paid a visit to our Adams Lake Division to learn more about the sawmilling industry. The Women in Trades initiative at TRU offers a number of programs to help women start or move ahead with a career in the trades and we were excited to share our operation with them.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Recruitment & Culture

Building our Future through Campus Recruiting

Our campus recruiting program is helping us build the talented and dynamic workforce we need to grow our future leaders. Through it, we provide students with a defined plan for their success. They each have a dedicated and knowledgeable mentor and complete a project that drives business value and builds their knowledge. It offers an excellent opportunity for students and lets us evaluate their potential for full-time employment in forestry, lumber manufacturing and business support services.

Interfor provides practical, meaningful experiences for students to work alongside the best in the industry — dedicated people who care about developing the next generation of talent. Our students work with the industry's latest technologies and innovations and have opportunities to gain hands-on experience in our sawmills and offices.

We encourage the students to complete multiple work terms, often at different locations, to give them a broader perspective on our Company and industry. If Interfor is a fit, students are offered a placement in our Sawmill Operations Trainee program or another position that meets their career aspirations. Over the past five years, we have hired 46 students into full-time positions.

Once a student is hired, they participate in our ongoing employee development programs so they can hone their leadership skills and build their industry knowledge to grow their careers. It is one of the reasons why we are able to promote successfully from within.

NUMBER OF INTERNS HIRED

YEAR	2021	2022	2023
Intern positions	52	104	41
Hired into full-time positions	14	14	9

" My highlight of working for Interfor is the freedom and encouragement I have been given to immerse myself in daily operations. The operators, millwrights, and supervisors have all been eager to show me how their specific process works and what challenges they have to navigate. Those seemingly small interactions have been the biggest part of why I love being here".

Hannah Riddick, Operations Intern



> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

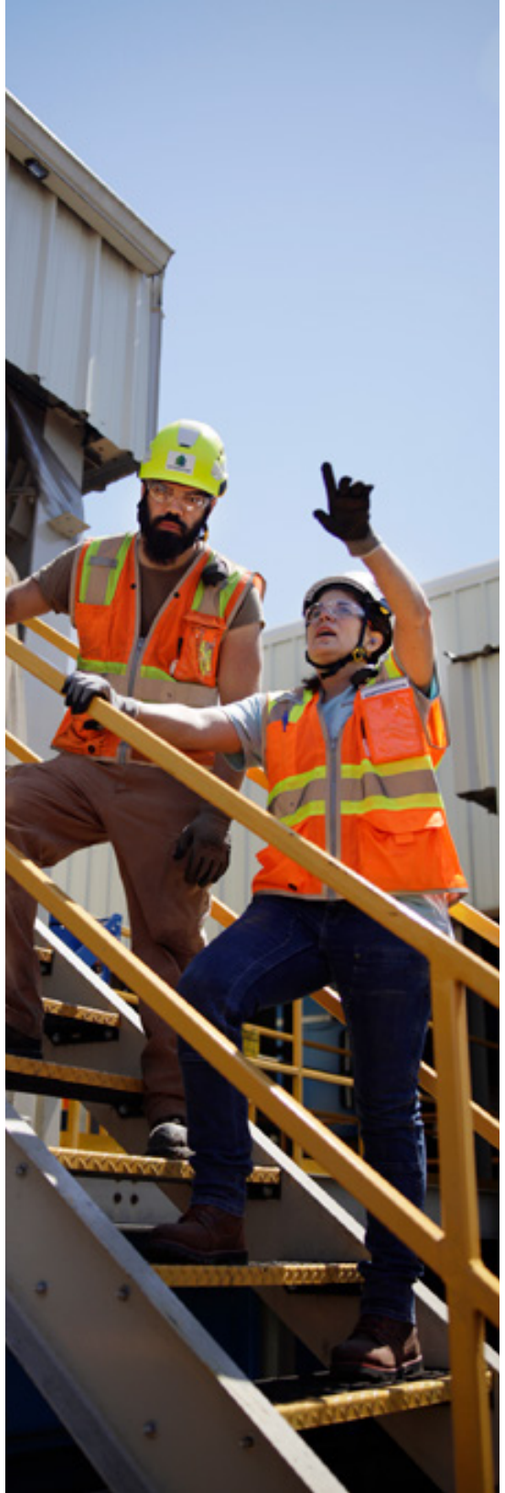
> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- **Recruitment & Culture**
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Employee Engagement

Meaningful engagement with our employees is part of our core values. We provide news about employee accomplishments, Company initiatives and community programs through the Interfor website, intranet and social media accounts (Facebook, Instagram and LinkedIn).

We also recognize the value of engaging our people in strategic planning and setting objectives. We are dedicated to maintaining transparent communication and fostering a culture of informed participation among our staff. We have implemented several key initiatives to ensure our employees are well-versed in the Company's strategic direction and have the opportunity to contribute to our collective goals. The following is a brief overview of the primary engagement channels we've established to keep our team connected and involved in shaping our future:

Quarterly Employee Communications Session

We hold quarterly communication sessions so employees can learn about the strategic direction of the Company. Our CEO provides an overview of the quarter, including performance, accomplishments, and challenges. Sustainability is a key topic covered during these presentations. Employees are encouraged to reach out to leadership with questions following the session.

Annual Strategic Meetings

Every year, we hold a strategic priorities meeting with our executive group and senior leaders from across the Company. In 2023, we continued to ensure a clear alignment between our strategic priorities and our work to implement our sustainability strategy.

Sustainability Information Sessions

Initiated in 2021, these live virtual sessions for our salaried staff, hosted by our Vice President, Woodlands & Chief Forester, are used to review the highlights of our annual Sustainability Report and provide a forum for questions, open dialogue and feedback on Interfor's sustainability journey. Nearly 200 employees attended these voluntary sessions in 2023, participating in live polls and discussions, while another 197 employees accessed the recorded version in our online learning management system.

Sustainability Is... Campaign

This campaign was designed to foster engagement and build awareness across our workforce, with an emphasis on connecting with hourly employees. Focusing on sustainability matters that are at the heart of our business, such as ensuring the safety of our people, care for our communities, and responsible forest management, the campaign is being used to share information and solicit ideas and feedback from employees.

Diversity Survey

In 2023, we conducted a voluntary and anonymous employee diversity survey to help gain insight into employee sentiments regarding Diversity, Equity, and Inclusion (DE&I). We wanted to find out how experiences differ among employee groups and to solicit feedback and ideas. The responses from a mix of both salaried and hourly staff from all regions were used to guide and inform our internal diversity audit and related action and improvement plans.

Sustainability Intranet

In 2023, we built on employee feedback from our 2022 Sustainability Survey and launched an internal Sustainability Intranet site to raise awareness about the work we are doing, the resources available, and our progress. Through the site, employees are able to access information related to sustainability initiatives, submit sustainability ideas, and stay updated on our efforts to promote a culture of sustainability excellence.

In 2024, we will continue our engagement efforts to support continuous improvement and refinement of our sustainability strategy, goals and targets.



We provide opportunities for our employees to grow, prosper, and develop their skills under the guidance of experienced and skilled mentors.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- **Recruitment & Culture**
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Culture and Retention

Our goal is to ensure our employees feel proud to work for Interfor and valued for their contributions. We use monthly culture and retention dashboards to track employee satisfaction, engagement and turnover. Metrics for participation, interactions and retention are measured and reported monthly.

Offering Competitive Compensation and Benefits

We review the market competitiveness of our compensation and benefits annually, and we continuously update plans based on these assessments. Our permanent salaried employees share directly in Interfor's success through a short-term incentive program. Hourly employees at the majority of our mills also share financially in performance improvements through gain- or profit-sharing programs at their operations. We offer a fulsome benefits package to all employees, including medical, dental, vision, disability and life insurance.

Our Employee Assistance Program provides professional and confidential counseling services to help employees deal with personal concerns and life issues such as depression, marital and family conflicts, job pressures, stress and anxiety, alcohol and drug abuse, and grief and loss.

EMPLOYMENT TYPE

YEAR	2021	2022	2023
Full-Time	3,426	4,797	5,188
Part-Time	11	23	18
Temporary	46	83	77

Meeting our Operational Changes Obligations

During the 2023 wildfires in BC, our Adams Lake Division underwent a nearly seven-week evacuation and shutdown. Recognizing the financial strain on our hourly employees who were unable to work, Interfor extended financial assistance to alleviate the burden. The widespread impact forced many of our employees and their families in neighboring communities to evacuate their homes or seek refuge indoors to escape heavy smoke. In response, the Village of Chase's Art Holding Memorial Arena was generously made available to Interfor, serving as a safe space for families to gather and alleviate stress during these challenging times.

Respecting Freedom of Association

We respect the rights of workers, including freedom of peaceful assembly and association, collective bargaining, fair working hours and conditions, and fair compensation. We are committed to constructive engagement and stable relationships with our employees and bargaining in good faith with the organizations that represent them.

NUMBER OF EMPLOYEES COVERED BY A COLLECTIVE BARGAINING AGREEMENT

2021	2022	2023
464	1357	1600

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- **Recruitment & Culture**
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



As part of our strategy and commitment to sustainability, we have a goal to develop a workforce that reflects the strengths and diversity of our communities.

INTERFOR EMPLOYEE DEMOGRAPHICS

MEN 4,557 | 86% **WOMEN** 710 | 14% **TOTAL** | 5,283*

EMPLOYEES BY LOCATION, SALARIED/HOURLY

Canada | 2,533*| 47.9%

SALARIED
- MEN 510 | 67.4%
- WOMEN 247 | 32.6%

HOURLY
- MEN 1,608 | 91.4%
- WOMEN 152 | 8.6%

US & Other | 2,750*| 52.1%

SALARIED
- MEN 397 | 73.0%
- WOMEN 147 | 27.0%

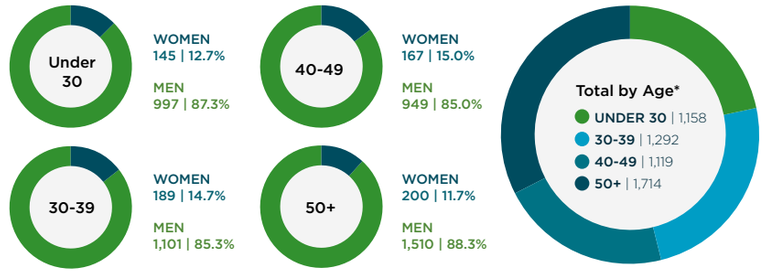
HOURLY
- MEN 2,042 | 92.6%
- WOMEN 164 | 7.4%

TOTAL EMPLOYEES

SALARIED
- MEN 907 | 69.7%
- WOMEN 394 | 30.3%

HOURLY
- MEN 3,650 | 92.0%
- WOMEN 316 | 8.0%

EMPLOYEES BY AGE



*includes 16 employees who declined to identify their gender

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Indigenous Peoples

We respect the deep connection Indigenous Peoples have to their territories and work with them to develop strong relationships that offer mutual benefits.

Our Canadian operations are within the territories of more than 90 Indigenous Nations. Since 2010, we have signed more than 160 individual agreements with 56 Indigenous communities or Nations, leading to a host of mutual benefits. We are committed to further expanding Indigenous participation and benefits within the forest industry.

To develop significant partnerships, our engagement and forestry operations are conducted in accordance with our **Indigenous Relations Policy**. The policy outlines our resolutions to:

- Recognize the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
- Acknowledge the calls to action of Canada's Truth and Reconciliation Commission, and seek opportunities to take action on those applicable to our business; and
- Commit to relevant consultation and obtain, where possible, the free, prior and informed consent (FPIC) of Indigenous Peoples and communities before proceeding with developments.

ACTIVE INDIGENOUS TERRITORIES



Number of Indigenous territories with active Interfor harvesting or road-building operations.

Indigenous Peoples have occupied their territories since time immemorial. We acknowledge and respect their deep connection to the lands and waters, and recognize the legal and constitutional rights they hold within their territories. Indigenous Peoples have an integral role in maintaining a strong, viable, and sustainable forest economy in Canada now, and in the future. We are committed to supporting Indigenous representation and participation in the forest industry, while cooperatively promoting socioeconomic development opportunities across their communities.

Interfor seeks to engage Indigenous communities when our operations are within their territories, with the goal of building positive relationships. We do this through early, ongoing and frequent communication and work together to identify cultural values, protect culturally sensitive areas, and understand how our operations can contribute to community priorities. In many cases, how we engage is guided by protocol agreements with individual Indigenous communities or Nations.

Monitoring and Certification

Many of our agreements with Indigenous Peoples include specific standards for how we engage and operate within their territories, backed by clear expectations for monitoring and review processes to track our compliance.

Our operations are subject to third-party certification standards regarding Indigenous relationships. All Canadian woodlands operations are certified to the SFI® standard which includes a foundational management objective to recognize and respect Indigenous Peoples' rights and traditional knowledge.

Our Ontario and Québec operations participate in the Progressive Aboriginal Relations (PAR) program, a third-party corporate social responsibility program by the Canadian Council for Aboriginal Business, which drives performance in four categories: Leadership Actions, Employment, Business Development, and Community Relationships. In 2022, Interfor's Ontario and Québec operations achieved PAR Certification at the Bronze level and are working to achieve Silver level certification.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

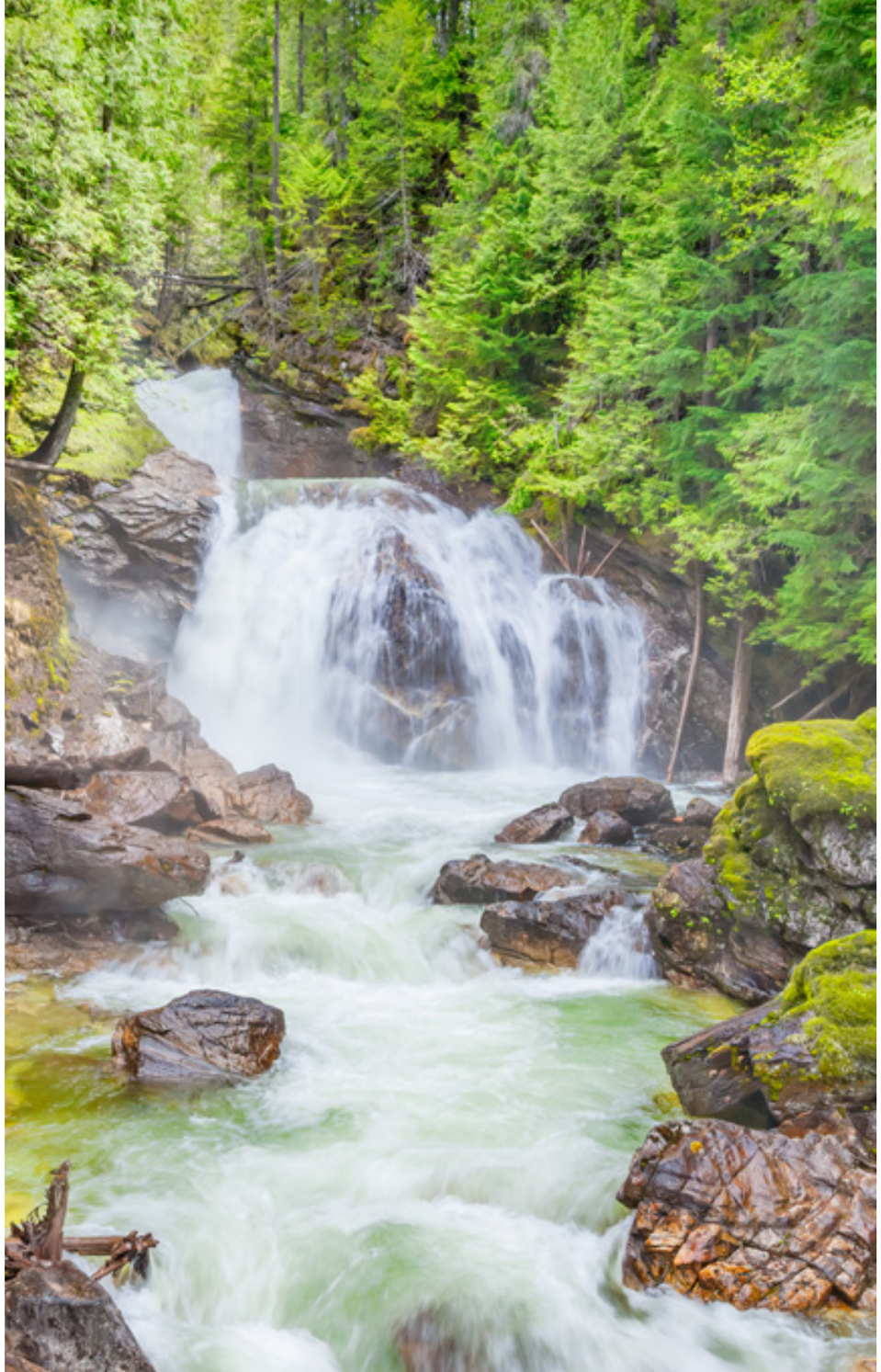
> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- **Indigenous Peoples**
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



14 new agreements signed in 2023

Partnership Agreements

Our relationships have led to signed agreements with 56 Indigenous communities or Nations with whom we work. These agreements support shared business opportunities, training and capacity building, and positive working relationships that are founded on the following mutually recognized objectives:

Long-term agreements that further meaningful reconciliation and advance true partnership with Indigenous Peoples.

- Business-to-business partnerships that build capacity and support community development.
- Joint planning aligned with Indigenous values and objectives.

Certainty for our forestry business in Canada.

- Predictable and cost-efficient access to a log supply that supports our operations.

Respect for Indigenous culture.

- Addressing unique cultural and environmental values in each territory.

Foundations of a Meaningful Partnership Agreement

The foundations of our agreements with our Indigenous partners can be organized into five categories:

1. Governance
2. Economic benefit and revenue
3. Stewardship and sustainability
4. Capacity building and employment
5. Community engagement

The following pages provide specific examples from our agreements and partnerships of what this looks like in action.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

AGREEMENT FOUNDATIONS

Governance

The foundation of many Indigenous partnerships with Interfor starts with agreements that define our respective interests, identify common visions and objectives, and provide a framework for how we will work together.

Some examples of strong governance in action include:

- Our collaborative forestry agreement with **Sagamok Anishnawbek** First Nation that enhances our longstanding relationship with the community by formalizing collaboration in forest management and outlining benefits to the community;
- Our agreement with **Simpcw** Resources Group Ltd. increases the business's opportunity to develop timber resources on their territory;
- Our agreement with the **Penticton** Indian Band prioritizes stewardship, includes community benefits and supports community interests; and
- An agreement with the **Matachewan** First Nation that aims to collaborate with and seek feedback from the nation on forest management, improve stewardship and contribute to community benefits, and strengthen economic and employment opportunities.

Truth and Reconciliation Commission (TRC) of Canada

Calls to Action

The TRC call to action #92 (i) asks the business community to: "*Commit to meaningful consultation, building respectful relationships, and obtaining the free, prior, and informed consent of Indigenous peoples before proceeding with economic development projects.*" While we have much to learn and further work to do before we can achieve this call to action, by building governance frameworks collaboratively, we can begin to understand how to implement meaningful consultation and build respectful relationships as defined by our Indigenous partners.



Governance includes the structures, systems, and agreements we jointly build to support reconciliation and full partnership.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

AGREEMENT FOUNDATIONS

Economic Benefit and Revenue

Our agreements are built on the principle that Indigenous Peoples should benefit from resources within their territories. Through a variety of business partnerships, ranging from supporting Indigenous entrepreneurs to the lease or sale of our tenures, we work with Indigenous partners to generate meaningful and sustainable forestry revenue for their communities.

Some current examples include:

- An agreement with the **Adams Lake** Indian Band that provides a source of revenue to the community from its timber resources;
- A standing Timber Purchase and Tenure Management Agreement with **Okanagan** Indian Band Forestry Limited Partnership that provides revenue opportunities to the partnership; and
- An agreement with the **Penticton** Indian Band's forestry business that provides an opportunity to expand their scope.

Financing to Support Economic Development

Forest management and harvesting projects require substantial upfront investment, including forest management cutblock layout and road building. Financing for these projects, which can be a challenge for small and developing Indigenous-owned corporations to secure, is a benefit that Interfor can offer to partners. Over the past two years, we provided $5.4 million in financing to projects that supported Indigenous economic development and capacity building.

Truth and Reconciliation Commission (TRC) of Canada

Calls to Action

Our partnerships demonstrate our work towards meeting the TRC call to action #92 (ii) to ensure *"that Aboriginal communities gain long-term, sustainable benefits from economic development projects."*



BC Coastal Forest Tenure Disposition

As part of our commitment to reconciliation with Indigenous Peoples in Canada, we began working with the BC government on a tenure disposition process to sell and transfer some of our forest tenures to First Nations. The dispositions align with the Truth and Reconciliation Commission of Canada call to action #92, which calls on the corporate sector to ensure access to economic benefits for Aboriginal communities. To advance these dispositions, we have worked with the BC Ministry of Forests, which is responsible for approving tenure transfers based on the effect of the disposition on the public interest. The process aims to achieve a number of objectives, including redirecting benefits from forest resources to Indigenous Peoples, strengthening their participation in the forest industry, allowing them a greater role in protecting their cultural resources, and reducing the concentration of the annual harvest held by large licensees. We are currently engaging with 20 BC First Nation communities regarding their interest in purchasing more than 1 million cubic meters of replaceable tenure. We have already transferred forest tenure to First Nations with whom we share a long history of business partnerships, including the Wuikinuxv Nation in 2021 and the shíshálh Nation in 2022. In 2023, we completed the transfer of 181,036 cubic meters of annual harvest under replaceable forest tenure on the Sunshine Coast to the Klahoose First Nation.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

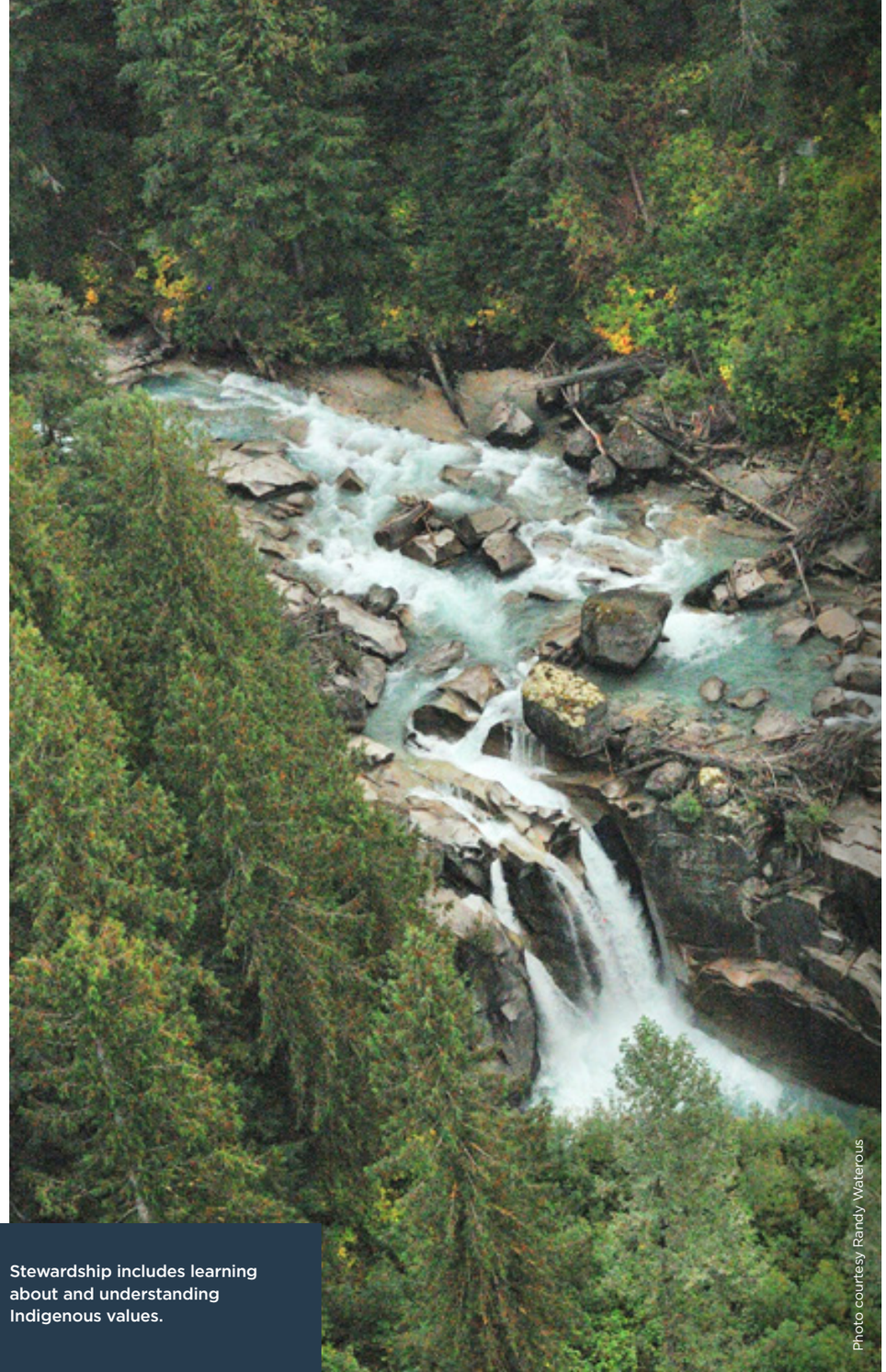


Photo courtesy Randy Waterous

Stewardship includes learning about and understanding Indigenous values.

AGREEMENT FOUNDATIONS

Stewardship and Sustainability

We work with Indigenous communities to understand traditional knowledge and values so it can be incorporated into joint planning processes that guide our forest planning and operations. We also support Indigenous communities' stewardship initiatives, including salmon enhancement, habitat restoration, and grizzly bear research.

Some current highlights include:

- Our harvesting plans in the **Penticton** Indian Band's Area of Responsibility are reviewed by the Band's Knowledge Keepers. The process includes pre-harvest surveys, joint field tours, and postharvest audits.
- We have data-sharing agreements with the **Brunswick House** and **Chapleau Cree** First Nations to help identify cultural and Indigenous values. We then work with them to modify operations to protect those values.
- We supported the **Adams Lake** Indian Band's Upper Adams Salmon Restoration Program.
- We are working with **Simpcw** First Nation toward implementation of their Interim Stewardship Plan within **Simpcwùl'ecw** (Simpcw Territory).

Advancing Sustainable Forestry through Collaboration

Interfor is a partner in the Herbicide Alternative Program 2.0 (HAP 2.0), which fosters collaboration between the Wahkohtowin Indigenous communities, government, and the forest industry to explore alternatives to chemical herbicides. The project aims to apply Indigenous knowledge, forestry research, and technology to phase out chemical herbicide use in the HAP 2.0 region in Ontario. The program also focuses on creating field research and career opportunities for Indigenous youth.



Our partnership agreements demonstrate our commitment to support our Indigenous partners with building their internal capacity through employment opportunities.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- **Indigenous Peoples**
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

AGREEMENT FOUNDATIONS

Capacity Building and Employment

We work with our Indigenous partners to grow their internal capacity through employment and forestry services opportunities. We begin with co-planning, joint forest stewardship and management activities, then create further employment and contracting opportunities through harvesting operations. Together with our partner communities, we share opportunities, recruit, and support Indigenous contractors, employees, and students, and mentor and develop talent. For example, today more than a third of our BC woodlands contractors are Indigenous-owned or have Indigenous employees.

EASTERN OPERATIONS INDIGENOUS WORKFORCE BY DEPARTMENT

DEPARTMENT	MANUFACTURING	WOODLANDS
Percent of total employees	8.2%	5.1%

Examples of current partnerships that support capacity building and employment include:

- An agreement with the **Osoyoos** Indian Band that provides silviculture employment and economic benefits to the community;
- An agreement with the **Shuswap** Band that will support their involvement in forest road management;
- An agreement with **Simpcw** First Nation's business arm that provides opportunities for participation in the forest sector;
- An agreement with **Splatsin**'s economic development arm that is structured to provide an opportunity for participation in the forestry sector; and
- A number of agreements with the **Skwlax te Secwepemcúlecw**'s business arm that provides capacity-building opportunities.

BC WOODLANDS CONTRACTORS



In 2023, 39% of BC Woodlands contractors had Indigenous employees or were Indigenous-owned.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

AGREEMENT FOUNDATIONS

Community Engagement

Respect and understanding for our Indigenous partners' cultures are built through real experience and connection. By engaging and supporting community initiatives, events, and projects, we are not only contributing to meaningful work but also gaining understanding and perspective, making us a better partner.

Some highlights from our community engagement efforts in 2023 include:

- Supplying Indigenous partners with lumber for community projects such as housing and infrastructure;
- Delivering firewood for community members, elders and cultural events;
- Delivering logs for cultural purposes;
- Donating seedlings to community planting events;
- Donating to community activities and tournaments;
- Supporting and participating in Indigenous youth field trips and educational programming;
- Supporting and participating in community cultural events and celebrations;
- Organizing and participating in community cedar bark gathering trips with several Indigenous communities;
- Providing operational tours, and participating in forestry career events; and
- Attending events hosted by Indigenous partners to mark the National Day for Truth and Reconciliation.



Supporting Youth and Education

Some examples of how we have been involved and supported Indigenous youth and education include:

- Contributing more than 26,000 board feet of lumber in support of the Little Paws Daycare construction project as part of our agreement with the **Penticton** Indian Band;
- Supporting a land-based learning Guardians Program run by **Wahkohtowin** Development to strengthen youth's connection to the land, language, and culture;
- Awarding a $2,500 scholarship to a post-secondary student from **Simpcw** First Nation;
- Participating in career fairs to provide information on career and employment opportunities at Interfor; and
- Supporting the Outland Youth Employment Program in collaboration with **Temagami** First Nation and other industry partners to deliver an annual summer camp, which offers Indigenous youth land-based education and work experience in natural resources and with various training opportunities for skills development.

Foundry Port Hardy

Interfor has collaborated with Aat'uu Forestry Limited Partnership, Quatsino Forestry Limited Partnership, Lionsgate Forest Products, and BC Timber Sales to undertake a harvesting project that will provide funding to support a permanent site location for Foundry Port Hardy. Foundry is a network of integrated health and wellness services for young people ages 12-24 and their families. They provide in-person and virtual counselling, peer support, and physical and sexual health care.

The permanent location will provide services to multiple rural and isolated communities on northern Vancouver Island, and will provide economic benefits to two Indigenous communities by providing harvesting proceeds to their wholly owned Forestry partnerships. Aat'uu Forestry is owned by Ehattesaht Chinehkint First Nation, located in the Zeballos Inlet on the northwest coast of Vancouver Island. Quatsino Forestry is wholly owned by the Quatsino First Nation, based in the Quatsino Sound region on the west coast of northern Vancouver Island. We take pride in working together with these communities to enhance access to integral health services in the area.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- **Communities**
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Our Burnaby Head Office volunteering with Habitat for Humanity in Spring 2023.

Communities

Building Value for Communities

At Interfor, our promise to communities is to build value by supporting a healthy economy and environment. We understand the connection between our people and where they work and live; therefore, we want to ensure we are giving back strategically to causes that have the greatest local impact.

Our Habitat for Humanity Partnership



Our partnership with Habitat for Humanity has a direct alignment and contribution to the United Nations Sustainable Development Goals to ensure access for all to adequate, safe and affordable housing and end poverty in its forms everywhere.

Habitat for Humanity Partnership

Historically, Habitat for Humanity is an organization that various Interfor divisions have supported through individual and local initiatives. As a lumber producer, we are well-positioned to support affordable housing through building and repairing homes. Building materials are part of our core business and an essential component of this work.

Interfor Operations and offices continue to partner with Habitat for Humanity affiliates in local communities to create impact by identifying engagement opportunities and establishing long-term relationships.

Over the past two years, our Castlegar and Grand Forks Divisions have supported Habitat for Humanity Southeast BC by donating more than $60,000 in lumber and funding.

Our divisions have helped Habitat for Humanity deliver upon their mission of bringing communities together by helping families build strength, stability, and independence through affordable homeownership.

$350,000+

total annual donations in 2023

Supporting Local Initiatives

In addition to our partnership with Habitat for Humanity, we are committed to the continued support of local initiatives and organizations in the heart of each of our unique communities. Each Interfor division has a particular relationship with its surrounding communities and is given its own annual donation budget to be spent as the divisional leadership sees fit. Preference is given to activities involving education, children and youth, environment and health. The overarching goals for Interfor's divisional annual donations are:

- Build positive community relations and awareness of Interfor within the community;
- Invest in initiatives our employees care about; and
- Achieve our corporate social responsibility goals.

INTERFOR
Building Value™

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- **Communities**
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

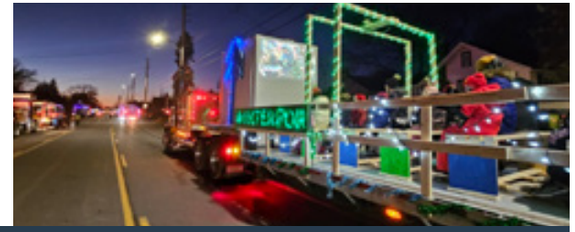
> REFERENCES & METHODOLOGY

> APPENDICES



(Above) In collaboration with the Adams Lake Community Association and AIM Roads, our team successfully installed Driver Feedback signs to roads frequently traveled by our employees and trucks to extend safety beyond the mill.





(Above left) Interfor supported the Weldy Home for Girls this year with a $10,000 donation. The mission of the organization is to provide emergency care for dependent, neglected, abused and homeless children, including shelter, clothing, medical care, meals, and other social services. (Above right) Our Sault Ste. Marie Division participated in the Christmas Parade with an Interfor Float.



(Above) Our team cooked dinner for more than 70 families at Ronald McDonald House, which provides accommodation and support for families with seriously ill children requiring specialized treatment at the BC Children's Hospital in Vancouver.









(Above) Interfor has donated lumber to many groups this year including the University of the Fraser Valley's Carpentry Program, Little Paws Daycare, and the Houston County Habitat for Humanity.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

We engage with the public and communities in or around our mills and harvesting operations. Some of the formal frameworks under which we actively share information and engage with Indigenous Peoples, communities, stakeholders and the general public include:

- Interfor stakeholder engagement strategy plans;
- Forest Stewardship Plans (BC);
- Customized Consultation Agreement for the Wahkohtowin Communities (Ontario);
- Local Citizens Committees (Ontario);
- Regional tables for integrated management of resources and public land (Québec);
- Landscape Reserve Design Tables in the Great Bear Rainforest (BC);
- SFI Certification (SFI Forest Management Standard Objectives 6, 8, 14 and 15 and SFI Fiber Sourcing Standard Objectives 6, 7 and 8);
- Regional SFI Implementation Committees;
- Operational referrals to other tenure holders such as traplines, range tenures and water licenses; and
- Timber Supply Review process for our tree farm licenses.

Engaging with the Community

In addition to the broad frameworks under which we share information, we engage with stakeholders by attending local forums, providing tours and taking part in educational opportunities.

- We continue to provide financial support for Lands & Ladies. This organization has partnered with the University of Georgia to deliver workshops, symposiums and online programming to educate and empower women forest landowners.
- We participate in the Oregon Forest Industries Council State Lands Committee. As part of the committee, we submit public comments on state lands management decisions and provide public testimony to the Oregon Board of Forestry at their meetings.
- Interfor sponsored and organized a 'Seed Basics' training session in Timmins, Ontario, delivered by the Forest Gene Conservation Association (FGSA) in collaboration with multiple organizations, which drew participants from Interfor, industry personnel, and members of local Indigenous communities. The workshop focused on improving local expertise in seed forecasting, collection, processing, and storage, highlighting the significance of high-quality tree seeds and empowering community members and youth to participate in reforestation efforts.
- Interfor has a representative on SFI Implementation Committees in all six states in our US South operating region, in Oregon and Washington, as well as in Canada. There is a current emphasis on Logger Education and Public Outreach to develop materials to promote and protect Forests of Exceptional Conservation Value, a significant part of the 2022 SFI Standards.
- In 2023, we hosted educators as part of the Georgia Teacher Conservation Workshop at our Perry Division. Our DeQuincy Division invited professionals from the Department of Natural Resources and Natural Resource Conservation Service into their mill. Our Belledune Division hosted groups of students from the le Collège communautaire du Nouveau-Brunswick (CCNB) in October 2023. These groups gained insight into the forest industry's role in supporting vital resources, including wildlife habitats and environmental protection.
- In our Canadian operations, we share knowledge about the forest sector with elected officials at all levels of government through activities such as mill tours.
- In our BC Coastal operations, we provided financial support to the Ann Elmore Transition House, which provides short-term shelter for women and their children fleeing abuse or violence. We also supported Q̓walayu House, a home for remote families to stay while their children receive healthcare in the region.



Volunteers from our Québec team helped at the City of Val-d'Or's community dinner. This event provides free meals to the Val-d'Or community.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> **PEOPLE**

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Sharing our Passion for Sustainable Forestry and Operational Excellence

Our foresters are passionate about sustainable forestry, and many appreciate the chance to engage with local communities. We work with schools and non-profit organizations to host tree planting days and field trips to raise understanding of the importance of forests and how we manage them.

Our operations are equally passionate about the high standards implemented in our sawmills and the ways in which our business contributes to a healthy economy and environment.





At our Thomaston and Eatonton divisions, our foresters led a tour of 7th and 8th grade students on an active logging site, giving them an introduction to potential careers in procurement, forest management, and logging.

(Above) Seed Basics Training.
(Below) Our Perry Division hosted Georgia K-12 educators for a sawmill tour.



> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> **PEOPLE**
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- **Communities**
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES





(Left) Staff and families from Interfor's Burnaby Head Office participated in CIBC's Run for the Cure event. (Right) Interfor's Castlegar Division donated cedar to help construct new garden boxes for Kinnaird Elementary School.

Taxes and Employees

In 2023, Interfor employed 5,283 people and paid $32 million in taxes, including amounts paid or payable to governments in respect of corporate income, property and certain other taxes. Excluded are taxes paid but not separately tracked or readily quantifiable, including BC provincial sales and carbon taxes.

TAX PAYMENTS

YEAR	2021	2022	2023
Canada	$66,708,000	$68,165,000	$2,659,000
US	$154,117,000	$138,287,000	$29,813,000
International	$197,000	$161,000	$14,000
Total	**$221,022,000**	**$206,613,000**	**$32,486,000**

EMPLOYEES

YEAR	2021	2022	2023
Canada	937	2,187	2,533
USA	2,539	2,710	2,746
International	7	6	4
Total	**3,483**	**4,903**	**5,283**

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Customers

We have a culture focused on fostering partnerships with our customers and distribution partners because we know that collaboration builds value for everyone. Our performance tells the story of our commitment to build value for customers by delivering quality products on-spec and on-time. We're committed to ensuring that our customer service continues to improve and adapts to our customer and partner needs. We conduct periodic customer surveys to solicit feedback on what we do well, and what we could be doing better.

Commitment to Customers

We are committed to promptly responding to and addressing any concerns or issues that arise regarding our products. When a customer complaint is received, our respective sales representative initiates our customer complaint resolution process which includes written responses and requires a documented resolution in order for an issue to be deemed closed. We also have a process that helps us identify potential issues so we can make changes to avoid them. Complaints are rare relative to the number of orders taken. By tracking every complaint as a metric and reporting on it, we are able to deliver unmatched customer care.

Customer Satisfaction Survey

In our most recent customer survey, 97.5% of respondents indicated that their relationship with Interfor was Good or Excellent. Common words used by customers to describe our service included: relationship, partnership, commitment, professional and quality.

Forecast Shipping Alignment

We understand that our customers make plans and decisions that rely on us delivering our products on time. That's why we consider our forecasted shipment date as a promise. Every order is managed through our forecast shipping alignment process and tracked at each step along the way. On-time shipments are a key metric for our team, and we track and report on this weekly.

Customer Safety

Our commitment to safety includes an assurance to customers that our products will meet their needs and industry grade standards. Our mills have quality control programs in place to ensure that our products meet exacting grade standards approved by the American Lumber Standard Committee (ALSC) Board of Review in the US and the Canadian Lumber Standards Accreditation Board (CLSAB) in Canada. Our products are regularly inspected by third-party grade inspection agencies to ensure our grading is accurate. Auto-graders, a significant and valuable investment, are favored in our operations as they provide safer and more accurate grading and result in a more consistent product offering to our customers. Today, all mills, with the exception of our recently acquired Atlantic operations, use auto-graders. All employees involved in grading lumber, whether manually or via auto-graders, hold a valid grading certificate.

We provide information to help ensure our customers and employees handle and use our products safely. Information on health risks related to working with our products is available on our website and in our **Safety Data Sheets**.

In 2023, Interfor did not have any of the following:

- Violations or non-conformance with regulatory labeling and/or marketing codes;
- Legal fines/settlements for false, deceptive, or unfair marketing, labeling, and advertising;
- Product recalls; or
- Legal fines/settlements for violations of bribery, corruption, or anti-competitive standards.



> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

CLIMATE & ENVIRONMENT

We're committed to taking action to combat climate change and protecting the environment by adhering to the highest standards in sustainable forest and mill management.

47 Climate Change
61 Forest Values
71 Environmental Management
78 Sustainable Products
82 Infrastructure & Technology

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

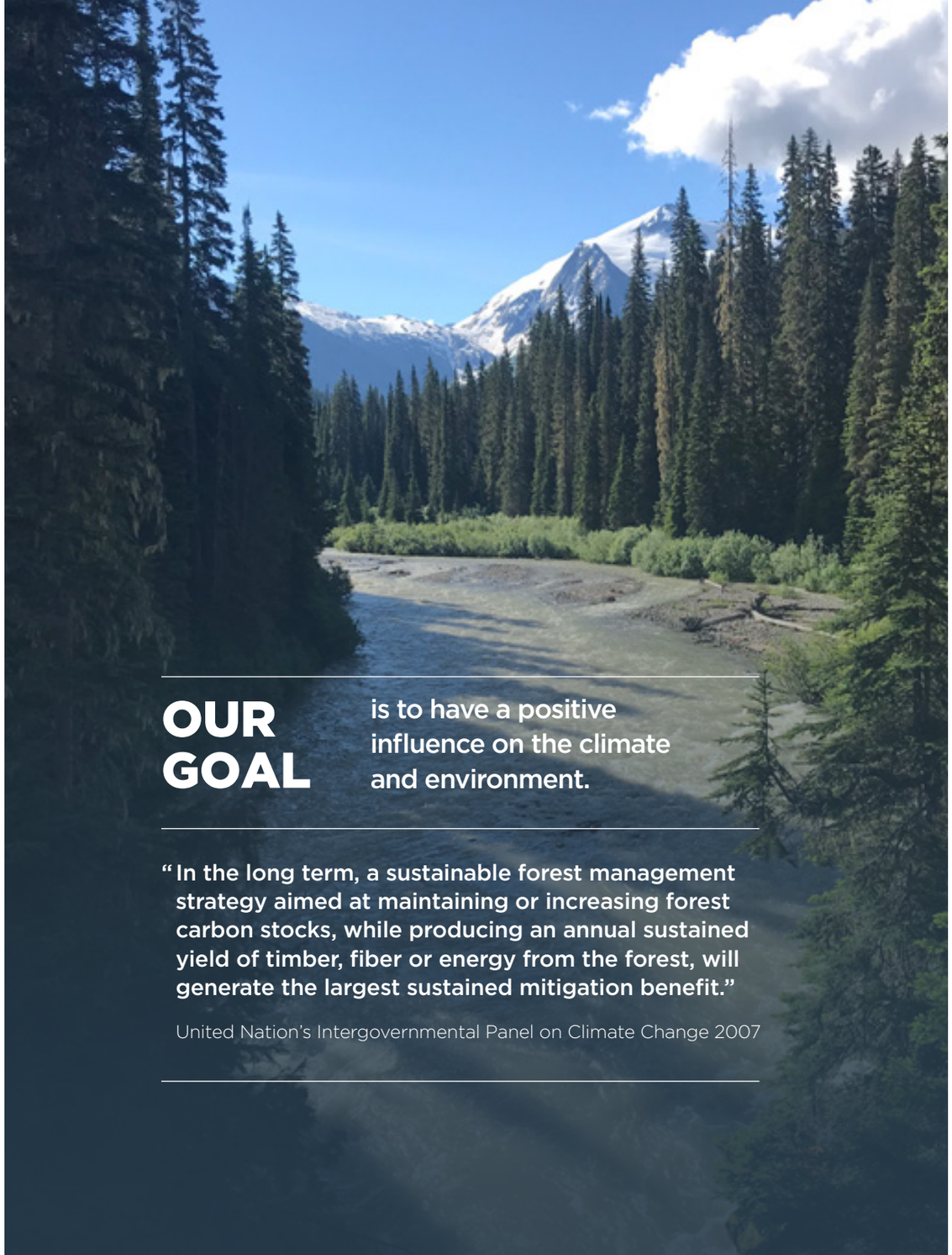
> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



OUR GOAL is to have a positive influence on the climate and environment.

"In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fiber or energy from the forest, will generate the largest sustained mitigation benefit."

United Nation's Intergovernmental Panel on Climate Change 2007

Climate Change

We are part of the solution. Combating climate change is a global effort, and we recognize our role in tackling this important issue.

We're providing low-carbon building products

The lumber we manufacture stores more carbon than is emitted during its production. This results in significantly lower greenhouse gas emissions than the production of other major structural building products, including concrete and steel. By offering carbon-friendly building products, we are supporting low-carbon sustainable development for current and future generations. There were approximately 6 million tonnes of carbon stored in the lumber we sold in 2023.

We're part of a powerful, natural cycle

Trees use solar energy and carbon dioxide from the atmosphere to grow. The natural carbon cycle of forests includes capture, storage, and release of carbon. Over the long term, sustainable forest management can increase the storage capacity of forests, transfer carbon into long-lived wood products, and reduce the forest's potential as a carbon source. Our commitment to sustainable forestry and forest renewal following harvest supports a continuous uptake of carbon for climate resilience.

We're reducing our footprint

We have set a target to reduce our Scope 1 and 2 GHG emissions by 40% by 2030 from a 2021 baseline. This reduction will be the equivalent of taking more than 22,000 cars off the road annually.

INTERFOR
Building Value™

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

The Carbon Cycle

The natural carbon cycle of forests includes capture, storage and release of carbon. Sustainable forest management can increase the storage capacity of forests, transfer carbon into long-lived wood products, and reduce the forest's potential as a carbon source.

CARBON MOVEMENT
- carbon uptake
- carbon release
- carbon storage

BIOGENIC CARBON

When wood residuals are consumed as a fuel or long-lived wood products eventually decay, their stored carbon is released. This carbon is part of a two-way cycle and can once again be taken up by the regenerating forest.

WOOD PRODUCTS

A further carbon benefit is realized when wood products are used in place of emissions-intensive products such as concrete and steel.

DISTURBANCE

Forests may release carbon more rapidly through natural disturbances such as wildfire or insect infestation.

REFORESTATION

Following harvesting or natural disturbance, soils and wood residuals release carbon, while young seedlings begin taking up small amounts of carbon.

DECAYING FOREST

Old and decaying forests continue to store large amounts of carbon, but over time they may release more than they absorb.

YOUNG FOREST

As young trees become established and their growth accelerates, their carbon uptake increases.

RENEWABLE ENERGY

Residual sawdust, shavings and bark are utilized to produce renewable energy.

MANUFACTURING

Long-lived wood products manufactured from trees continue to store carbon, keeping it out of the atmosphere for the lifetime of the product, or longer if the wood is recycled for another use.

GROWING FOREST

Growing forests absorb carbon dioxide, release oxygen and store carbon.

FOSSIL FUELS

Fossil fuel use is an open system where CO_2 remains in the atmosphere.

FOREST MANAGEMENT

Some of the key forest management considerations in climate-smart forestry include rotation ages that maximize the carbon uptake potential of forests, protection of soil carbon during harvesting, prompt reforestation, fostering resilience and mitigating natural disturbances.

MATURE FOREST

Growth slows in old and mature forests and trees begin to release their stored carbon slowly as they decay. While they remain significant carbon stores, the amount they are absorbing is reduced.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

To reduce our footprint we have set a target to reduce our Scope 1 and 2 GHG emissions by 40% by 2030 from a 2021 baseline.

Interfor GHG Emissions Inventory

Our emissions are reported in line with guidance from the Greenhouse Gas Protocol (GHG Protocol), a global standardized framework.

- **Scope 1** Emissions include the direct emissions we produce at our facilities from the combustion of fuels.
- **Scope 2** Emissions include the emissions associated with the production of purchased electricity used at our sites (location-based).
- **Scope 3** Emissions include the emissions associated with our supply chain, both upstream and downstream.
- **Biogenic Emissions** include carbon dioxide (CO_2) emissions from biomass fuels, while methane (CH_4) and nitrous oxide (N_2O) from biomass combustion are included under Scope 1.

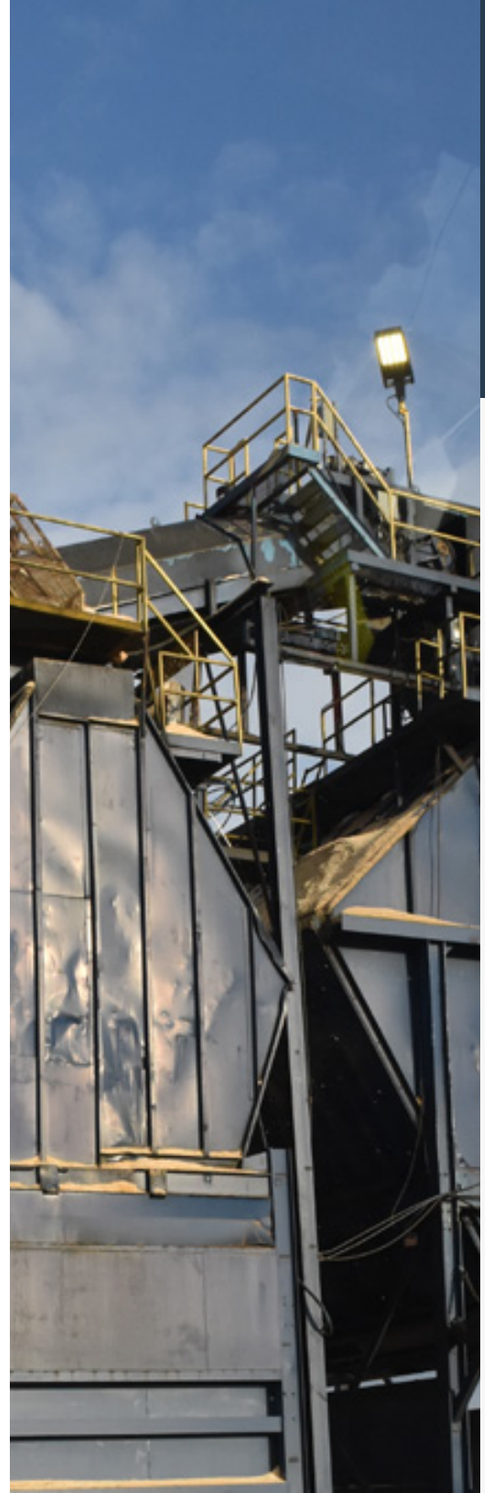
EMISSION CATEGORY			
YEAR	2021	2022	2023
Scope 1 GHG Emissions (tCO_2e) Direct Fossil Fuel GHGs + CH_4/N_20 from Biomass	149,068	148,794	128,783
Scope 2 GHG Emissions (tCO_2e) Purchased Electricity	111,268	126,292	130,923
Scope 3 Emissions (tCO_2e) Supply Chain Emissions	3.6 M	3.8 M	3.4 M
Biogenic Carbon Emissions (tCO_2) Biomass Combustion	859,739	864,682	838,206
GHG Emissions Intensity (tCO_2e/MFBM) Scope 1 + 2 Emissions per thousand board feet	0.0602	0.0650	0.0628

Base Year
Per the GHG Protocol, Interfor has established a base year of 2021.

Verification of GHG Inventory

In 2023, Interfor's Internal Audit team conducted a review of our Scope 1 and 2 GHG inventory and methodology. All findings from their review have been addressed in preparation for external verification by a third party, which is scheduled to take place in 2024.

Please note: With 2021 established as our base year, no recalculation for structural changes or improvements in methodology is factored into years prior to 2021. As such, emissions reported prior to the establishment of our base year in 2021 are not appropriate for making meaningful comparisons over time. For example, Interfor's 2020 emissions inventory was prior to our acquisition of nearly 40% of our current production capacity. For more information on the methodology, factors and calculators used in our GHG reporting please see **References & Methodology** at the end of this report.



> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Reflecting our core values of innovation and environmental stewardship, our Continuous Drying Kilns operate using renewable energy from sawmilling byproducts. This integration not only showcases our commitment to sustainable operations but also underscores our dedication to energy resilience and meaningful engagement in our processes.

Energy Efficiency and Innovation

In 2023, 77% of the energy we consumed was from renewable sources such as biomass, hydro and solar power generation.

Through capital improvement projects and strategic energy management programs, we have improved our energy efficiency and, in some cases, reduced our absolute electricity consumption.

In our US South region, we have achieved a 6% reduction in average electricity consumption intensity through our strategic capital investments and our increased awareness and focus on energy use.

As we modernize our operations and increase production volume, we are building additional drying kilns at many of our sites. The installation of continuous drying kilns (CDKs) allows for more efficient drying operations than traditional batch kilns. Kiln manufacturers estimate the new kilns can dry a comparable volume of lumber using 20% to 25% less biomass fuel.

Our Nairn Centre Division participated in the Enbridge Gas Energy Conservation Program in spring 2023. By installing air curtains, it achieved an estimated energy savings of 207,039 cubic meters of natural gas per year and CO_2e reduction of 388 tonnes per year.

Energy Resilience

The kilns we use to dry our lumber are the most energy-intensive part of our operations. By using biomass fuel, a byproduct of our manufacturing process, we power many of our kilns in a self-sufficient and renewable way.

INTERFOR ENERGY USE

YEAR	2021 (GJ)	% of total	2022 (GJ)	% of total	2023 (GJ)	% of total
Energy Purchased (electricity)	**1,307,819**	**13%**	**1,829,796**	**13%**	**1,946,486**	**14%**
Renewable	488,813	5%	904,704	6%	903,692	6%
Non-renewable	819,635	8%	925,091	7%	1,042,795	8%
Energy Produced (onsite combustion)	**8,519,852**	**87%**	**11,774,840**	**87%**	**12,257,237**	**86%**
Renewable	7,283,560	74%	10,187,492	75%	10,080,102	71%
Non-renewable	1,236,291	13%	1,587,348	12%	2,178,847	15%
Total Energy (GJ)	**9,827,670**	**100%**	**13,604,636**	**100%**	**14,205,435**	**100%**
Energy Intensity (GJ/MFBM)	**3.40**		**3.61**		**3.44**	

KILNS BY FUEL SOURCE



KILNS RUN ON BIOMASS | 80%

KILNS RUN ON FOSSIL FUELS | 20%

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Task Force on Climate-related Financial Disclosure Alignment

The Task Force on Climate-related Financial Disclosure (TCFD) was established in 2015 by the Financial Stability Board to make recommendations for consistent company disclosures to help financial market participants understand investment risks related to climate change. The following table provides details on Interfor's climate-related practices and disclosures as recommended by the TCFD.

PILLAR	RECOMMENDED DISCLOSURE	INTERFOR PRACTICES AND DISCLOSURES
GOVERNANCE	Board Oversight	Interfor's Board has an Environment & Safety Committee that oversees environmental performance, including climate-related risks and opportunities. Each quarter, our Vice President, Woodlands & Chief Forester reports to the committee, including a climate report related to material risks, opportunities, issues and performance.
	Management Responsibility	Interfor's Sustainability Committee is made up of executive leadership from across all operating regions and is responsible for our climate strategy. The committee recommends targets as well as ways we can mitigate risks and capture opportunities related to climate. Our Energy Team and our Environment Team, each made up of regional managers, are tasked with exploring opportunities and implementing practices and strategies to achieve climate-related targets.
STRATEGY	Risks and Opportunities	Climate-related risks and opportunities identified through qualitative scenario analysis are discussed in detail in the **Climate Risks** and **Climate Opportunities** sections of this report as well as in **Appendix II**.
	Strategic Impacts	The due diligence processes for strategic decisions such as capital investments and acquisitions identify and evaluate risks, including those related to climate change. We align with government strategies, contribute to land use policy discussions, and engage with peers and customers to address both risks and opportunities (see **Transition to a Low-Carbon Economy**). As a manufacturer of sustainable, climate-friendly building materials and a proponent of sustainable forest management, we are well-positioned to contribute to the global effort to combat climate change.
	Scenario Analysis and Resilience	Interfor completed an initial qualitative scenario analysis in 2021. In 2022, we worked with climate experts to update our analysis to include new assets acquired in 2022. Details, including resilience strategies, are in **Appendix II**. Also see **Energy Resilience.**

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

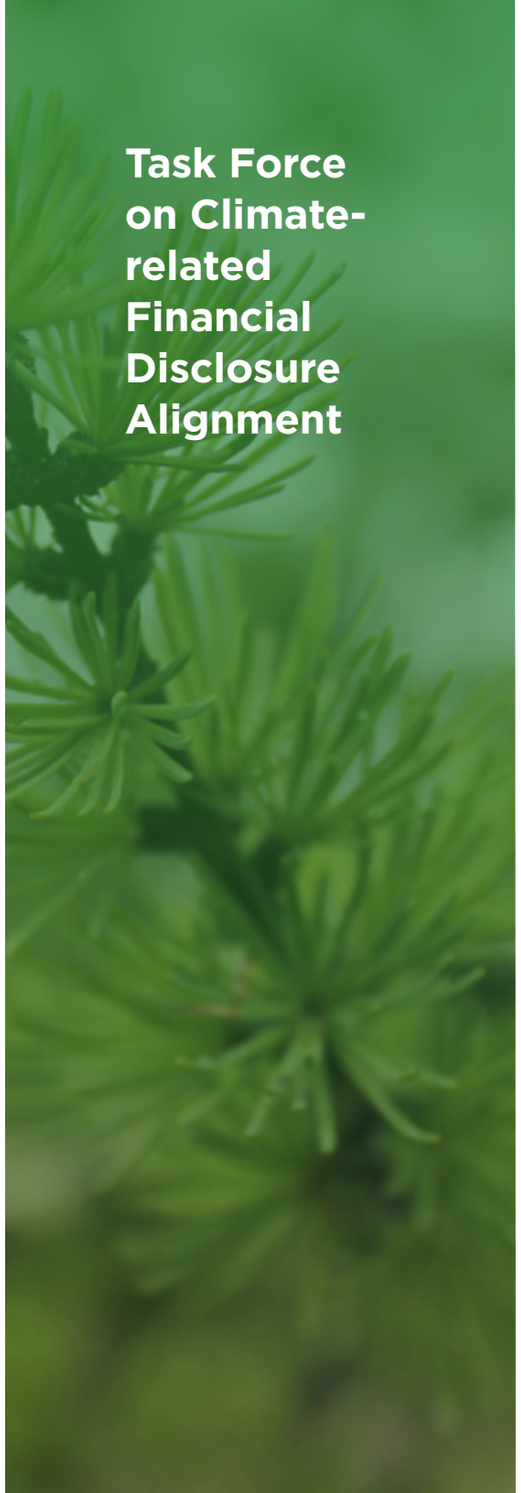
> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> **CLIMATE & ENVIRONMENT**
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Task Force on Climate-related Financial Disclosure Alignment

PILLAR	RECOMMENDED DISCLOSURE	INTERFOR PRACTICES AND DISCLOSURES
RISK MANAGEMENT	Process for Risk Identification	Our senior executives prepare and review a report on company-wide material risks, which is shared with our Board on a quarterly basis. Annually, our senior leaders contribute updates to a register of risks that have been identified as potentially material to our business.
	Process for Risk Management	Interfor has an extensive program in place to protect assets from physical risks such as wildfire or hurricanes. We work with third-party loss prevention engineers to identify and mitigate risks to our assets, starting with the design of our facilities. Due diligence processes for strategic decisions such as capital investments and acquisitions also include the identification and evaluation of risks.
	Integration with Enterprise Risk	Identifying, understanding and planning for the mitigation of material climate risks is part of our overall risk management process. It ties closely to our duty as a publicly traded company, a manager and steward of public forested lands in Canada, and a manufacturer of sustainable forest products across North America.
METRICS AND TARGETS	Climate Metrics	We disclose data on a variety of climate metrics including sustainable forest management, reforestation including species diversity, GHG emissions, energy use, carbon storage, residuals and waste, water use and environmental compliance.
	Greenhouse Gas Measurements	We report Scope 1, Scope 2, Scope 3 and biogenic carbon emissions in alignment with the Greenhouse Gas Protocol, a global standardized framework. Each year we work to refine and improve our GHG inventory.
	Climate Targets	We have set a target to reduce our Scope 1 and 2 GHG emissions by 40% by 2030 from a 2021 baseline. Details about our baseline and methodology for adjustments, such as how acquisitions or sales will be incorporated, have been outlined in our Interfor GHG Inventory and Target Methodology Guide. For more information see **References & Methodology**. We are also working toward targets related to water use, waste reduction and biodiversity. See **Environmental Management** for more details.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Photo courtesy Toby Jeffreys

Climate scenario analysis is a method for assessing potential climate-related risks and opportunities for a range of plausible future states.

Climate Scenario Analysis

The TCFD identifies scenario analysis as a valuable and important tool for assessing potential business implications of climate-related risks and opportunities. We worked with a team of climate experts to conduct an initial qualitative scenario analysis for our business. For the analysis, we explored both physical and transition risks and opportunities associated with two scenarios:

Scenario: 3 - 5°C increase

Climate model used: **AR5 – RCP8.5** (*IPCC – Assessment Report 5 –* **Representative Concentration Pathway 8.5**)

Focus: Physical Risks

- Wildfire
- Extreme high temperatures
- Extreme precipitation
- Riverine flooding
- Coastal flooding
- Pests
- Water stress
- Hurricane risk

Scenario: 1.5 - 2°C increase

Climate model used: **MESSAGEix-GLOBIOM 1.1** *(International Institute for Applied Systems Analysis - Integrated Assessment Modeling)*

Focus: Transition Risks and Opportunities

- Shifting land use
- Reputational risks
- Carbon pricing to operations
- Wood as a building material (value/demand)
- Biomass as a fuel (value/demand)

We will continue to review and update the Climate Scenario Analysis to reflect changes to our operations and associated risks.

The following pages of this report provide further discussion on risks, mitigations and opportunities associated with climate change. For a detailed table of all the risks and opportunities reviewed in our qualitative scenario analysis, including the potential impacts and our resilience strategies, see **Appendix II.**

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Increased frequency and intensity of extreme weather events are considered as part of our risk management processes.

CLIMATE RISKS

Extreme Weather

Increased frequency and intensity of storms and wildfires pose a risk to our business. Our operations use emergency response and preparedness plans to ensure employee safety. In areas where there is the potential for hurricanes and tornadoes, these include:

- Procedures for severe weather;
- Severe weather alarms;
- Notification systems for closure of operations due to weather risk; and
- Designated meeting points.

Severe rainfall can result in flooding and landslides, and both have the potential to impact our operations and supply chain. We have programs in place and are taking further steps to mitigate the impacts of severe rainfall such as:

- Maintaining comprehensive flood plans for our at-risk sites;
- Tracking snowpack and water levels as an advance indicator of flood potential;
- Implementing preventative building and site improvements where water damage has occurred in the past;
- Employing rainfall shutdown procedures in our woodlands operations;
- Planning log supply and inventory flows to account for seasonal shutdowns;
- Utilizing culverts that are more resilient to debris flows/floods on our forest roads; and
- Employing enhanced sediment control measures on erosion-prone sites.

Heat waves, such as the heat domes experienced in North America in the past several years, can result in challenging operating conditions. High temperatures can lead to restricted working hours or shutdowns to avoid risk of injury or illness, fire ignition, and equipment damage or failure. Our safety and fire prevention programs both provide guidance on shutdown criteria, and heat plans offer additional details on how to keep employees safe and healthy during extreme heat.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> **CLIMATE & ENVIRONMENT**
- **Climate Change**
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



2023 Canadian Wildfires

In 2023, Canada experienced a significant increase in wildfires, impacting our employees, partner communities, woodlands operations, and mill sites. During the summer, our Québec operations were impacted for nearly seven weeks. The Val-d'Or and Matagami communities hosted residents of nearby towns who were evacuated due to the fires. Overall, approximately 1.3 million hectares burned across the province. In BC, the fires around our Adams Lake Division caused the evacuation of communities and our mill site, resulting in an operational shutdown for roughly seven weeks. Firefighters from the BC government and local communities worked with Interfor employees to proactively save the Adams Lake Sawmill by clearing potential fire sources, installing sprinklers on buildings and log decks, and building fire guards. With the fires now extinguished, our forestry teams are planning recovery and salvage efforts, which began in Q4 2023 and have extended into 2024.

CLIMATE RISKS

Wildfire

A number of our operating regions have experienced drought and extended periods without rainfall in the past several years. With drought comes the increased likelihood of catastrophic wildfires. The devastation caused by wildfires in recent years has significantly increased the cost of wildfire liability insurance. Our woodlands operations have strong wildfire preparedness, prevention and response programs, and annual fire plans that include:

- Defined responsibilities of Interfor and contractors regarding fire preparedness and response;
- Restrictions on activities and shutdown procedures above and beyond legal requirements;
- Daily and continuous weather monitoring protocols;
- Fire control procedures;
- Mandatory fire suppression training and periodic fire suppression drills;
- Emergency contact information and reporting procedures in the event of a fire; and
- Fire-watch checklists and fire hazard assessment forms.

Fire plans are provided to all of our woodlands contractors. During fire season, our staff and contractors complete regular onsite fire preparedness inspections for high-risk activities in woodlands operations. In 2023, our Canadian Woodlands had 7 operational fires. All but one of the fires were less than 100 square meters in size. Each fire was acted upon immediately by our contractors with the fire suppression resources they had onsite. We commend our staff and contractors for upholding our high standards for training, awareness, preparation and preventive measures, including shutdown, to avoid operational fires.

Fuel Reduction Initiatives

Fuel reduction and interface-clearing projects are being used to reduce the risk of catastrophic wildfires impacting communities and infrastructure. For example, starting in 2019, our BC woodlands team has worked to reduce potential fuel sources to lessen the impacts of fires. When the 2023 regional wildfire escalated, it approached within 500 meters of the Adams Lake Division. However, it did not advance closer, thanks to the comprehensive fire mitigation efforts put in place over recent years.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY
Programs & Certification
Key Metrics
Contractor Safety

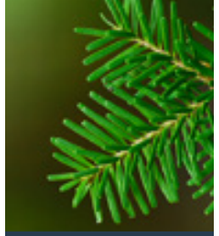
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

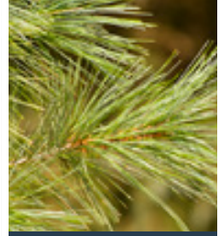
> REFERENCES & METHODOLOGY

> APPENDICES


Amabalis Fir


Black Spruce

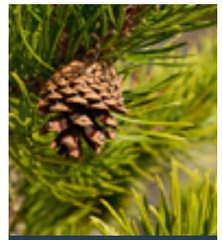

Douglas-Fir


Eastern White Pine

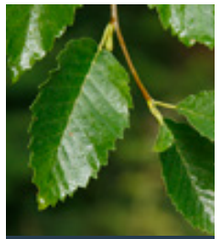

Engelmann Spruce


Red Spruce

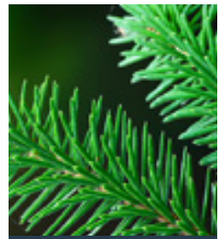

Jack Pine

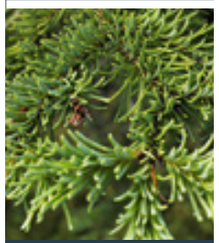

Lodgepole Pine

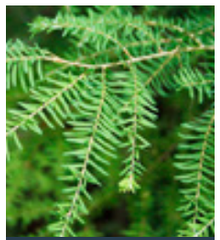

Ponderosa Pine


Red Alder

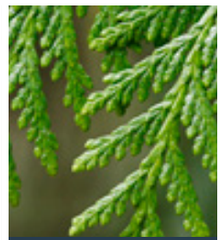

Red Pine

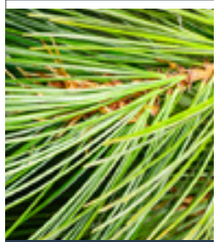

Sitka Spruce


Subalpine Fir


Western Hemlock


Western Larch


Western Red Cedar


Western White Pine


Whitebark Pine


White Spruce

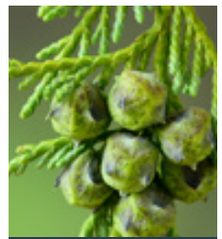

Yellow Cedar

Photo credits on Page 96

CLIMATE RISKS

Forest Health

Extreme and changing weather and climate can pose a threat to the health and success of forests. Drought stress can reduce tree survival and limit resistance to disease and insects, while warmer, shorter winters can lead to insect and disease outbreaks. The Canadian Forest Service's Forest Change program reports on indicators that reflect past trends and future projections for changes across Canada and provides adaptation tools and resources for forest managers. Some of Interfor's actions taken to understand and mitigate the impacts of climate change on forest health include:

- Prioritizing mixed species planting and diversity when planting new forests to improve resilience and to maintain or enhance ecological diversity;
- Selecting seedlings with consideration to their adaptability to future climate changes in the areas where they will be planted;
- Prescribing site-specific measures, such as retaining shade trees and using different seedling stock sizes, to reduce the impact of drought;
- Implementing forest health management techniques, such as insect trap trees and root disease control;
- Participating in BC's Climate-Based Seed Transfer working group to develop policies and tools that will help guide professionals in forest management decisions related to climate change;
- Supporting silviculture research in Ontario to assess performance of different seed lots and practices to support forest health; and
- Participating in a five-year, Canada-wide research study that is testing the use of the functional complex network approach to forest management and is focused on fostering forest resiliency in the face of uncertainty.

Trees Used in Mixed Species Planting

On average, we plant three trees for every tree harvested in the woodlands we manage in Canada. We prioritize mixed species planting, using only species that are native and ecologically suitable to the specific site. Across our Canadian woodlands, we plant a mix of more than 20 different species, including those illustrated to the left. In 2023, our operations planted over 22 million trees.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Maximizing efficiency is one way that we minimize environmental impacts associated with our supply chain and logistics.

Transition to a Low-Carbon Economy

The transition to a low-carbon economy is a significant opportunity for a company like Interfor that produces carbon-friendly products. At the same time, we will face a range of policy, legal, market and technology changes. For example, we will be encouraged to reduce our fossil fuel consumption as a result of technological advances in energy production and future increases in Canadian carbon taxes. In addition to modernizing our operations, reducing energy consumption and lowering GHG emissions, we are taking steps to both support achievement of a low-carbon economy and mitigate the associated risks. These include:

- Engaging with peers and customers to improve consistency in accounting and reporting on climate-related metrics;
- Implementing energy dashboards at each of our operations to support regular review of our GHG emissions and energy use;
- Continuous improvement and review of our GHG inventory; and
- Staying abreast of government strategies that apply to our operations and the public forest lands managed by Interfor, including:
  - The BC government's CleanBC Roadmap to 2030;
  - The Ontario government's Forest Sector Strategy, Forest Biomass Action Plan, and Environment Plan;
  - The Québec government's 2030 Plan for a Green Economy; and
  - US climate directives and policies.

Green Logistics

We look for opportunities to maximize efficiency and minimize environmental impacts associated with our supply chain and logistics. Examples of this include:

- Optimizing configurations of log packages for water transportation to ensure both efficient and safe delivery;
- Maximizing cubic volume or weight limitation of each shipment to ensure the greatest efficiency of available logistics capacity;
- Utilizing technology to ensure overall freight distance is minimized in meeting customer obligations and on-time performance;
- Aligning transportation mode preference to maximize economical efficiencies with rail being favored for most medium- and long-haul destinations in North America;
- Increasing rail utilization for medium- and long-haul lumber shipments from our mills in the US South; and
- Using a transportation management system that enables us to access and leverage truck transportation capacity and support better utilization of dedicated fleets.

We use metrics to track our performance on these initiatives and use targets to drive improvement.

Fleet Efficiency

We reduce our fossil fuel consumption and improve emissions by continuing to phase out older, less efficient vehicles.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Visual wood surfaces inside buildings have an intuitive draw and have been linked to positive physiological responses in humans.

CLIMATE OPPORTUNITIES

Market Opportunities

Wood is a sustainable and renewable material, and research shows that it has positive environmental impacts compared to building materials such as steel and concrete (CORRIM 2020). Wood takes less energy to manufacture and using it in construction to replace steel or concrete reduces water and material consumption and GHG emissions.

Through the Softwood Lumber Board, Interfor promotes the environmental and climate-related benefits of building with wood, and we are actively supporting the Georgia Forestry Association in the establishment of a state carbon registry intended to encourage mass timber construction as a sustainable development solution in Georgia.

Production of biofuels from lumber manufacturing residuals is another expanding market opportunity. With the transition to a low-carbon economy comes a demand for low-emission renewable energy sources such as biofuels. Interfor currently uses and sells sawmill residuals for green energy production. Throughout our operations we have been forming relationships with renewable energy producers and facilitating an efficient supply chain. We are also exploring opportunities to increase the use of bush residuals for energy production. In our US South region, we have had success chipping and selling a portion of the logging debris from stumpage tracts for use as biomass fuel. Where we implement use of bush residuals, we seek to balance utilization with the retention of beneficial residuals that provide habitat, support biodiversity or mitigate erosion. For more information on how we use mill residuals see **Optimizing Material Use**.

Benefits of Wood

The quality lumber we produce comes from sustainable sources and is the ultimate natural and renewable building product. Wood has incredible cellular strength and captures and stores carbon.

Experts advocate the use of wood from sustainably managed forests to mitigate climate change, and the **Sustainable Products** section of this report reinforces many of the advantages of building with wood.

Using engineered wood products to increase the height and scale of buildings provides a low-carbon alternative to concrete, brick and steel-based building systems. Furthermore, wood is being recognized as a building material that promotes health and well-being. While some people may already relate to the intuitive draw of wood, a study by the University of British Columbia and FPInnovations found the presence of visual wood surfaces in a room lowered sympathetic nervous system activation—the system responsible for physiological stress responses in humans (FPInnovations 2011).

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Large-scale natural disturbances such as forest fires and insect outbreaks can lead to release of forest carbon. Sustainable forest management can be a useful approach for both mitigating the risk of wildfires as well as responding to their impact by salvaging burnt trees and transferring their stored carbon into long-lived lumber products.

CLIMATE OPPORTUNITIES

Managing Forests for Carbon Mitigation

Carbon capture: Both the forests on the public lands we manage and the long-lived wood products we manufacture store carbon. Forest managers are looking for ways to accelerate or augment carbon capture through sustainable forest practices. These include salvage harvesting and planting after forest fires or insect outbreaks and stand tending such as thinning, brushing or fertilizing. Our BC operations work with the Forest Enhancement Society of BC (FESBC) on fertilization programs to improve tree growth and carbon sequestration.

Decreasing forest carbon loss: Forest management approaches can also directly impact the amount of carbon lost from forests directly to the atmosphere. For example, retaining patches or individual trees in a managed forest can increase the forest carbon stocks including soil carbon. Forest management may also contribute to preventing carbon losses associated with disturbances, especially wildfire. Intense wildfires cause substantial carbon losses. By implementing woody fuel reduction and harvesting, forest managers can reduce the likelihood or intensity of wildfire. Furthermore, fuel reduction may increase the growth and carbon uptake of the residual stand.

Productivity: In contrast to drought and forest health risks from climate change, changes in temperature, rainfall and growing seasons may increase productivity by speeding up tree growth. Interfor promptly reforests every hectare we harvest with ecologically suitable species that are native to the area of harvest. We select seedlings with consideration to their resilience and adaptability to a changing climate. Through our US South operations, we support research at Clemson University that is focused on how various forest management practices can improve tree seedling survival, growth and productivity.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

CLIMATE OPPORTUNITIES

Climate-Smart Forestry

Our commitment to sustainable forest management aligns with broader objectives to maintain and increase forest carbon stocks. Under Objective 9 of the SFI Forest Management Standard, we are required to ensure forest management activities address climate change adaptation and mitigation measures. Some on-the-ground initiatives that we have been involved in that relate directly to the forest carbon cycle include:

- Implementing prescriptions to minimize soil disturbance;
- Retaining or protecting immature trees during harvest;
- Prompt planting and regeneration;
- Planting a mix of species for long-term resilience and productivity;
- Salvage harvesting after disturbance;
- Working with loggers and other partners to minimize residuals burned in slash piles and using them for biomass fuel and pulp;
- Participating in interface harvesting projects designed to reduce the risk of wildfire ignition and spread to communities;
- Actively managing forest pests;
- Providing education and proactively monitoring or controlling for invasive species;
- Where permitted, implementing incremental stand density and fertilization improvements that will increase carbon uptake;
- Supporting research on forest management practices for tree survival, growth and productivity; and
- Facilitating knowledge exchange and information sharing on climate change.

See **Forest Values** for more detail on our certifications.



Fertilization for Climate Mitigation

Our Castlegar operations completed a fertilization project in the fall of 2023, which focused on adding urea nutrient mixes to nitrogen-deficient forests on our TFL 23. The project aimed to increase the net growth of tree biomass, including stem wood, branches, foliage, and coarse roots. While taking into consideration potential increases and decreases in composition, short-term nitrous oxide emissions, transport and processing, and future harvesting, the project is expected to lead to an overall net decrease of atmospheric GHGs.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Forest Values

Interfor is a leader in sustainable forest management and responsible sourcing to ensure environmental, economic and social opportunities for current and future generations.

Interfor manages more than 5 million hectares of forests on public lands in Canada. These lands are 100% third-party certified to the globally recognized Sustainable Forestry Initiative® (SFI) Forest Management Standard and covered under forest management plans that achieve government objectives for soils, timber, wildlife, water, fish, biodiversity, aesthetics and culturally important areas. In our US operations, Interfor works with landowners and other log suppliers to protect forest values under our SFI Fiber-Sourcing Certification.

Forest values are important to us, and are also important to Indigenous Peoples, local communities and the public. Two sections of this report, **Indigenous Peoples** and **Communities**, provide detailed information about how we engage with Indigenous communities and stakeholders before harvesting begins and how we address their input and concerns in our planning.

100% of our forest management operations are certified to internationally recognized Sustainable Forest Management standards

100% of our lumber manufacturing operations (excluding our most recent acquisitions*) are certified to internationally recognized Fiber Sourcing and Chain-of-Custody standards

*Recent acquisitions include Bathurst and Belledune sawmill operations in New Brunswick. Certification audits for both mills are scheduled for 2024.

Over 20 years ago, Interfor became the first Canadian company to achieve independent third-party certification to the globally recognized SFI® Forest Management Standard for the forest lands that we manage. Today, our commitment to world-leading standards continues to be a hallmark of our approach to forest management.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Sustainable Forestry Certification

Our commitment to sustainable forestry practices was amplified in 2000/01 when we became the first Canadian company to achieve independent third-party SFI® certification across all our public forest lands in Canada. Since then, our forestry practices have been subject to annual third-party audits with the results posted on our website.

SFI audits for Interfor's woodlands operations in 2023 cited good practices such as:

- Well-documented invasive and species at risk training and integrated pest management practices in our Ontario woodlands; and
- Providing mentoring opportunities for Indigenous workers to become trained in specific aspects of harvesting in our Coastal woodlands operations.

Through SFI certification, we address non-conformances and act on opportunities for improvement identified in the annual audit reports. The 2023 audits found that we had addressed all non-conformances from previous audits. The audits identified four new minor non-conformances relating to a contractor permission request, awareness of potential concerns outside the complaint procedure, improper log decking, and a couple instances of partially full fire extinguishers. The audits also identified opportunities for improvement such as consideration of a review of spill kit requirements, and providing private landowners supplying logs with information on wildfire risk reduction. A follow-up assessment on each of these items will be part of our 2024 audits.

Benefits of Third-Party Certification

Certification is a market-based, non-regulatory forest conservation tool designed to recognize and promote environmentally responsible forestry and sustainability of forest resources. Currently there are more than 50 forest certification standards worldwide, reflecting the diversity of forest types, ecosystems and tenures. There are subtle differences, but most promote sustainable forest management through principles, criteria and objectives consistent with local government processes and public expectations. Like other credible forest certification programs, the SFI standard promotes principles, criteria and objectives that are viewed around the world as the basis of sustainable forest management. It has balanced governance, with a board that represents environmental, social and economic interests, and it revises its standard regularly through an open public process.

Fiber Sourcing & Chain-of-Custody Certification

With the exception of recently acquired Bathurst and Belledune sawmills, each of our lumber manufacturing and remanufacturing operations is certified to one or more internationally recognized chain-of-custody or fiber sourcing standards including:

- **SFI Chain-of-Custody Standard**: All BC, Ontario, Québec and US lumber manufacturing and remanufacturing operations;
- **SFI Fiber Sourcing Standard**: All BC, Ontario, Québec and US lumber manufacturing and remanufacturing operations;
- **Program for the Endorsement of Forest Certification (PEFC) Chain-of-Custody Standard**: BC operations and Japan sales office; and
- **Forest Stewardship Council (FSC) Chain-of-Custody Standard**: Québec and Northeastern Ontario manufacturing and remanufacturing operations.

Environmental Certification

In addition to our forest management and chain-of-custody certifications, we also carry International Standards Organization (ISO) 14001:2015 environmental management system certification for forest operations in Québec and Northeastern Ontario.



Sustainable forestry is the management and use of forest resources in a way that meets the ecological, economic and socio-cultural needs of both current and future generations.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Biodiversity & Conservation

We operate under a range of formal frameworks and internal procedures to protect wildlife, biodiversity and forests of high conservation value.

Identifying, tracking and conserving habitat and habitat features for species at risk and other focal species is built into our operational planning process. Some examples of habitat features that we manage for include nesting sites, ungulate calving or fawning sites, bear dens, waterfowl staging areas, and significant ecological areas such as wetlands and estuaries.

We train our woodlands employees to identify species at risk, include information on species at risk in our logger training, and require that employees and contract loggers report sightings. Where at-risk ecosystems have been defined, such as rare blue- and red-listed ecosystems in BC, we provide awareness training to enable identification and conservation.

We manage and maintain areas that have been identified as meeting the unique winter habitat requirements of ungulates based on forest cover, aspect and elevation. Our woodlands operations maintain mapped networks of winter range for deer, moose, elk, bighorn sheep, goats, and caribou.

In many cases we work closely with Indigenous communities to better understand and manage wildlife habitat based on traditional ecological knowledge. For example, in BC we work closely with a number of coastal First Nations to map, protect and improve grizzly bear habitat, and in Ontario we are working with two First Nations to manage and improve browse in moose emphasis areas.

Conserved & Protected Areas

The woodlands we manage include a wide range of landscape-level protected areas and constraints. For example, in our BC woodlands, more than half of the forest land that we manage is protected or not available for harvesting.



Ungulate Winter Ranges



Old Growth Management Areas



Wildlife Habitat Areas



Cultural Values



Landscape Reserves



Constrained Areas

Site-Level Retention

The remaining working forest is subject to restrictions on cutblock sizes and in-block tree retention requirements. Tree patches and dispersed trees are retained to protect specific resources and provide habitat.



Rare Plant Communities

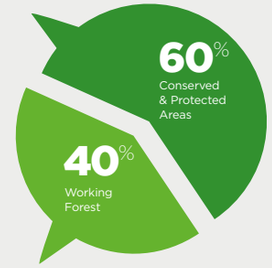


Wildlife Trees and Dispersed Retention



Wildlife Tree Patches

BC Woodlands



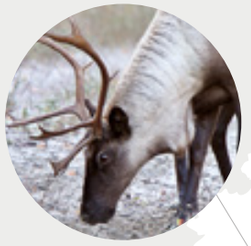
Supporting Biodiversity In Research and Practice

In collaboration with the Québec SFI Implementation Committee, we provided financial support to the Boreal Avian Modelling (BAM) research project for pileated woodpeckers. The project researchers have developed a guide to identify pileated woodpecker nesting sites, which we use to educate our woodlands supervisors and superintendents.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Species-at-Risk Conservation in Action

Across our operating regions, we are committed to protecting species at risk and maintaining biological diversity. This includes efforts and initiatives on our own forest lands, as well as working with our log suppliers and private landowners. Some highlights and examples from our operating regions include:



Mountain Caribou

BC Interior Operations

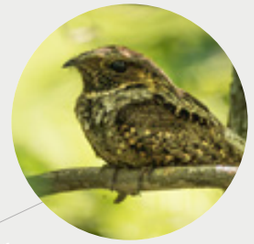
Interfor supports the Arrow Lakes Caribou Society in their efforts to recover the Southern Mountain Caribou population in the Central Selkirk Mountains through their Caribou Maternity Pen Project. The maternity pens support the survival of pregnant cows and calves during a vulnerable stage of their lives. The goal is to reverse the downward trend in the population. In 2023, the project successfully released seven calves and all the cows in their care back into the wild.



Marbled Murrelet

US Northwest Operations

In Oregon, special management areas have been defined to protect important habitat for marbled murrelet. These small seabirds use very specific habitat for nesting that includes mossy platforms in the branches of coniferous forests. We have worked with loggers to employ noise and activity restrictions when operating adjacent to management areas during the breeding season to avoid disrupting nesting murrelets.



Eastern Whip-poor-will

Ontario Operations

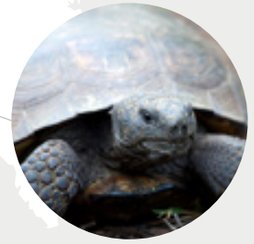
Interfor is supporting a University of Manitoba research project to investigate breeding and migratory habitat use of Eastern Whip-poor-will in relation to forest management. The research is providing critical information for refinement of effective management and recovery strategies for the species, including more nuanced protection of habitat.



Wood Turtle

Atlantic Operations

Wood turtles are particularly susceptible to predation and negative human interactions, such as road accidents. In our Atlantic operations, we have integrated the protection of wood turtles into our Forest Worker Basic Training and Certification Training curriculum. We record wood turtle observations and share this data with local researchers to help identify key habitats. We also discuss the conservation of wood turtles with local high school students during our forest management presentations.



Gopher Tortoise

US South Operations

The gopher tortoise is a keystone species of the longleaf pine ecosystems in our US South operating region. This reptile excavates burrows used by more than 350 other species of animals. Through our fiber sourcing program, we work with private landowners to support the implementation of best management practices to protect and restore habitat for this critical species.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Sustainable Harvest Levels

Sustainable harvest levels are the foundation of sustainable forestry and key to ensuring environmental, economic and social opportunities for current and future generations. In Canada, the majority of forest land, including the forests managed by Interfor, is publicly owned. The annual harvest levels, known as the allowable annual cut (AAC), are required by law to be set for these public forests every five to 10 years, depending on the location. The AAC is specific to individual management units and based on the condition of the existing forest, growth rates, how the forest is managed for multiple values and choices around the rate of harvest.

We work with provincial governments and local Indigenous communities to manage and adapt AAC determinations. AAC reductions are influenced by enhancing resiliency for a changing climate, conserving biodiversity and forest values, and protecting cultural and community values.

Each year, every individual cutblock contributes to the total area harvested. Cutblock area and stand-level retention data are reported annually to provincial governments.

In our US South region, we utilize growth-to-drain studies to understand how much timber grows in a given area compared to the amount that is harvested or dies. These studies provide a county-level assessment of timber flows and help us to determine if market demand for timber is balanced with available supply. Unlike Canadian forested land, most forests in the US South are privately owned. Because we don't have direct control over harvest levels, we monitor growth-to-drain ratios regularly. The data shows growth-to-drain ratios greater than 1.0, which means that growth consistently exceeds harvest levels in the regions in which we operate. In our US Northwest region, state laws and sustainable harvest calculations are used to ensure harvesting and yield on a continuous basis.

HARVEST AREA AND RETENTION ON INTERFOR TENURES *

YEAR	2020	2021	2022
BC Total cutblock area (hectares)	6,880	8,758	7,334
BC Total area retained within cutblocks (hectares)	1,259	1,339	2,560
BC Total area retained within cutblocks (%)	18%	15%	35%
ON Total cutblock area (hectares)	N/A	6,817	6,757
ON Total area within reserves** (hectares)	N/A	217,106	217,106

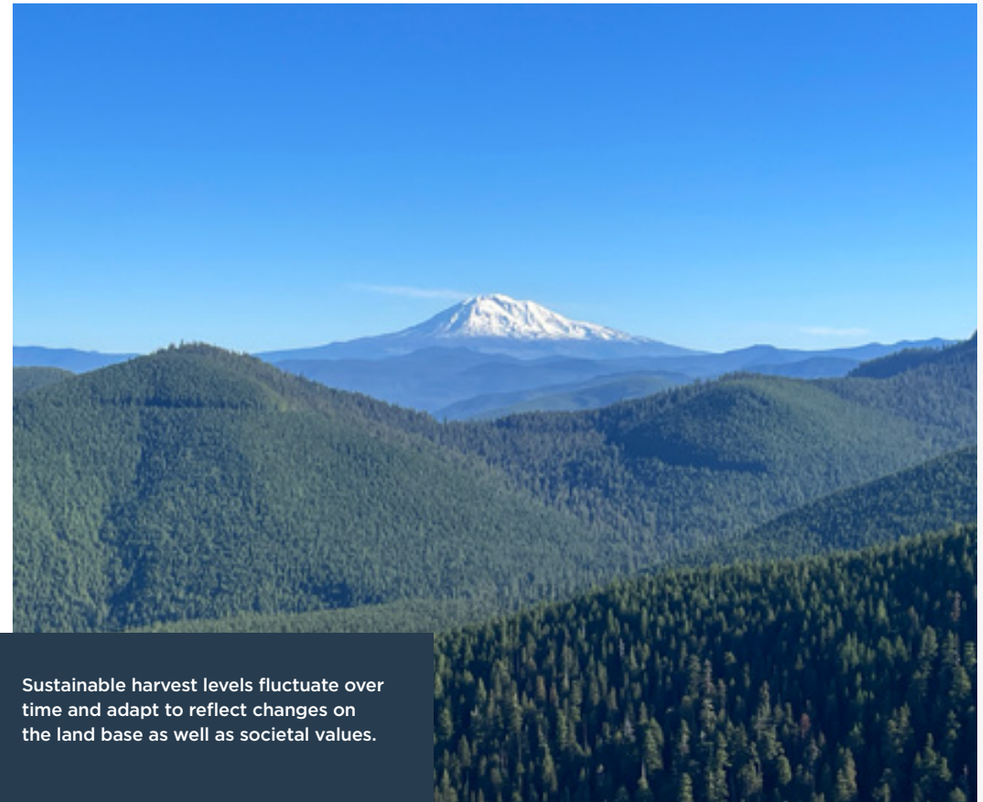
Reporting on cutblock area and retention or reserves differs across regions due to differences in provincial tenure management.

We work to survey and finalize harvested area boundaries for up to six months after the end of each year prior to reporting. As such, the most recent reporting year's data is not yet finalized and is not included.

New Brunswick operations, which were acquired in December 2022, are excluded from this reporting cycle.

* Interfor tenures refers to management units for which Interfor has responsibility over forest management planning, as such Québec operations are excluded from this table.

**Reserve area in Ontario is assigned at the Forest Management Plan (FMP) development stage which was done in 2021 and 2022 for Interfor's tenures and remains relatively constant for the term of the FMP, with minor additions.



Sustainable harvest levels fluctuate over time and adapt to reflect changes on the land base as well as societal values.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

<1% of the managed forest is harvested annually on average.

Provincial Sustainable Harvest Levels

Interfor manages woodlands in Canada, where the majority of forested land is publicly owned. The forested land base and area available for harvesting varies by each province. Throughout all provinces, on average, less than 1% of the available forests are harvested annually.

95 MILLION HECTARES **TOTAL AREA OF BC**
57 MILLION HECTARES **FORESTED LAND**
22 MILLION HECTARES **MANAGED FOREST**
0.2 MILLION HECTARES **HARVESTED ANNUALLY**

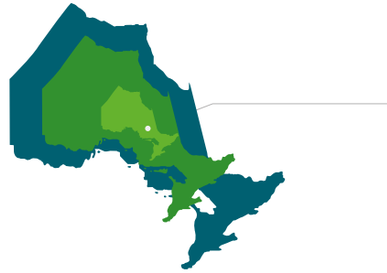


BRITISH COLUMBIA

200,000 hectares (less than 1%) of the managed forest is harvested annually

Source: Province of BC

108 MILLION HECTARES **TOTAL AREA OF ONTARIO**
70 MILLION HECTARES **FORESTED LAND**
28 MILLION HECTARES **MANAGED FOREST**
0.1 MILLION HECTARES **HARVESTED ANNUALLY**

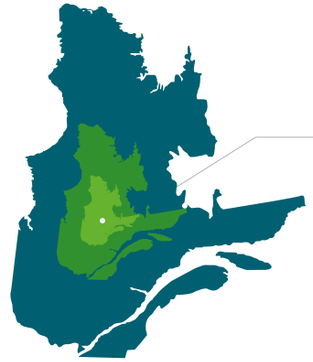


ONTARIO

121,000 hectares (less than 1%) of the managed forest is harvested annually

Source: Province of Ontario

170 MILLION HECTARES **TOTAL AREA OF QUÉBEC**
76 MILLION HECTARES **FORESTED LAND**
33 MILLION HECTARES **MANAGED FOREST**
0.1 MILLION HECTARES **HARVESTED ANNUALLY**



QUÉBEC

166,000 hectares (less than 1%) of the managed forest is harvested annually

Source: Province of Québec

7 MILLION HECTARES **TOTAL AREA OF NEW BRUNSWICK**
6 MILLION HECTARES **FORESTED LAND**
3 MILLION HECTARES **CROWN MANAGED FOREST**
0.05 MILLION HECTARES **HARVESTED ANNUALLY**



NEW BRUNSWICK

46,000 hectares (approximately 1.5%) of the managed forest is harvested annually.

Source: Province of New Brunswick, CCFM National Forestry Database

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Old Growth and Sustainable Harvesting in BC

Old growth, sometimes referred to as primary forest, is recognized for providing habitat, ecological, cultural, spiritual and timber values. In BC, forests are generally considered to be old growth when the trees are more than 250 years old on the coast and more than 140 years old in most interior regions. While age is a useful definition, what makes old growth unique is not the number of rings in the trees but rather the characteristics of the forest that have developed over time. All old growth, regardless of size, has inherent value.

All natural ecosystems, including old forests, experience natural disturbances, such as fire, insect damage or windstorms. Over time, mature forests that are not disturbed become old growth, and old growth that is naturally disturbed becomes new regenerating forest.

On the lands where we operate, we play a leading role in managing and protecting forests of high conservation value, including old forests:

- We are a founding member of the historic land use agreement in BC's Great Bear Rainforest, which includes legislation to protect 85% of the forest—including 70% of old growth—over time.
- Our sustainable forest management certification confirms that our forest management regime includes protections for Forests with Exceptional Conservation Value as well as old-growth forests.
- Through the BC Old Growth Management Area process, we contribute to the identification and conservation of old-growth forests, giving priority to areas with high biodiversity value.
- We have worked with the Nanwakolas Council to develop a Large Cultural Cedar Protocol designed to conserve old cedar trees for current and future cultural use.

The BC government is currently working in partnership with First Nations to defer the harvest of ancient, rare and priority large stands of old growth within 2.6 million hectares of BC's old-growth forests. As of October 2023, coordination between First Nations and forest companies has resulted in 2.4 million hectares of old growth being permanently protected or deferred since November 2021. We are continuing to work with our Indigenous partners to understand their interests and values as they relate to old-growth management in these proposed deferral areas and elsewhere within their territories.



Photo credit Randy Waterous

Conservation of the Incomappleux Valley

Interfor is committed to sustainable forest management and that includes dedicated conservation efforts. Identifying Forests with Exceptional Conservation Value is built into our operational planning processes and forms an important part of the audited third-party certifications our Company holds. We are proud of our track record in this area and continually evaluate opportunities to balance social, economic and environmental values, including climate mitigation. The Incomappleux Valley, northeast of Nakusp, contains a portion of BC's inland temperate rainforest. The old-growth forest in the valley is dominated by Western Red Cedar and Western Hemlock and includes trees that are 500 to 1,000 years old. The Incomappleux Valley is an area of great biodiversity, providing habitat for grizzly bears, many species of rare plants and lichens, and historically for mountain caribou. The Incomappleux River is a major tributary of the Columbia River. In 2022, Interfor, the Nature Conservancy of Canada and the provincial government signed an agreement to protect the Incomappleux Valley. Interfor has agreed to voluntarily release approximately 75,762 ha from Tree Farm Licence (TFL) 23. As a key partner, the Nature Conservancy of Canada facilitated and assisted in funding the agreement.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Accountable Professionals

Professional foresters and forest technologists working for Interfor are registered and regulated by provincial and state associations.

- Ontario Professional Foresters Association
- Ordre des ingénieurs forestiers du Québec (Québec Order of Forest Engineers)
- Forest Professionals BC
- Association of Registered Professional Foresters of New Brunswick
- Oregon Forest Industries Council and Associated Oregon Loggers
- Washington Contract Loggers Association
- American Forest Resource Council

In the US South region, each state has a State Board of Registration for Foresters, which oversees licensure, sets standards for professional conduct, and is responsible for investigation of and discipline for unauthorized, negligent or incompetent practice. In addition, professional logger designations in our US South region recognize individuals who have received education in environmentally and economically sustainable logging practices and meet continuing education requirements on an ongoing basis. We also engage other qualified persons such as professional engineers and geoscientists, hydrologists, biologists and archaeologists.

See **Working with Log Suppliers** for details on how we work with Qualified Logging Professionals.

Ecosystem Restoration and Stewardship Projects

Our log procurement team in the US Northwest has a proven track record in delivering land stewardship projects through the US Forest Service stewardship timber sales program. In 2023, the team was involved in the following projects:

- The decommissioning of a timber sale road in Oregon, in order to stabilize soils and mitigate the risk of sedimentation into streams;
- Salvage logging from the 2020 Lionshead fire in Oregon to utilize burned trees and mitigate further fire hazard and emissions from the decaying trees and stands; and
- A thinning and replanting project in the Cascade Mountains focused on building climate-resilient forests as the region experiences change.

In BC, our woodlands team has been working with the government to complete forest renewal in areas impacted by wildfires. Over the next two years, we will plant more than 22 million seedlings in areas impacted by wildfire.

As part of our wildfire recovery efforts, our Adams Lake team conducted aerial seeding in October 2023 in a 12-hectare area surrounding our Cahilty log yard that had been severely impacted by wildfire earlier in the year. The aim was to reduce surface erosion, the risk of landslides and terrain instability, and the potential for invasive species to occupy the area, and to contribute to a greener landscape while minimizing the build-up of fine fuels that could contribute to rapid wildfire spread. The seed mix was carefully chosen in consultation with a professional agrologist, and the success of this treatment will be evaluated in May 2024.

In Québec, our Val-d'Or woodlands operations contributed to an ecosystem restoration project for a walleye spawning bed in the Villebon River. The team removed damaged culverts about to collapse, and replaced them with a temporary bridge to maintain forest access to local users. During the summer of 2023, a hydraulic study was performed to provide guidance for the construction of a permanent bridge that will protect existing spawning beds and maintain adequate flow and water levels during the spawning period. The permanent bridge was installed in November 2023.

Ashes-Caldera Targeted Species Thinning

In the 1980s, the US Forest Service had an overstock of Noble Fir seed, which was planted in abundance at high elevation in the Cascade Mountains of Oregon and Washington. As our climate evolves, the eastern side of the Cascade Mountains is becoming hotter and dryer, and the Noble Fir planted in these areas is struggling to adapt to the conditions. In response, Interfor completed a pre-commercial thinning project at a transition zone between a wet and dry climate in the Cascade Mountains. At the direction of the US Forest Service Silviculturist, we thinned Noble Fir while leaving other species that are more ecologically suited to the conditions, including Western White Pine, Western Larch and Douglas-Fir. In 2023, Interfor completed this work on 42 acres of this contributing to a total of 136 acres thinned since 2019.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES



Through our SFI Fiber Sourcing Program, we engage our suppliers to implement best management practices.

Working with Log Suppliers

The environmental performance of our major suppliers is a key factor in our log supply. Log-sourcing operations for Interfor sawmills are certified to the SFI Fiber Sourcing Standard. Under our sustainable fiber sourcing program:

- We require compliance with applicable federal, provincial, state and local human rights and labor laws and regulations, such as freedom of association and right to collective bargaining, freedom from discrimination, harassment and abusive behavior, and no child labor or forced labor;
- We engage our suppliers to implement best management practices to protect water quality and conserve biological diversity. Working with SFI Implementation Committees, we offer log suppliers materials that outline the objectives of SFI certification and provide information on sustainable harvesting practices such as conserving biological diversity, water quality management, soil conservation, fuel handling and spill response;
- We work with qualified resource and logging professionals. We worked with the Québec SFI Implementation Committee to develop online training specific to private landowners and contractors that leads to recognition as a Qualified Logging Professional;
- We worked with the Central Canada SFI Implementation Committee to develop and maintain A Guide to Best Management Practices for Forest Operations in Northern Ontario and Manitoba to help private landowners and logging contractors conduct sustainable forest operations on private land; and
- We support broadening the practice of sustainable forestry on all lands through community involvement, socially responsible practices, and through recognition and respect of Indigenous Peoples' rights.

In our **Sustainable Forestry & Log Procurement Policy**, we clearly state our commitment to avoid trading wood or wood fiber from controversial sources. All of Interfor's log supply is from Canada or the US. Other practices implemented in our wood procurement programs include:

- Individual supplier risk assessments or declarations used to identify potential concerns;
- Signed purchase wood agreements that clarify our expectations with suppliers; and
- Site inspections to monitor our suppliers for conformance with our policy.

In addition to the assurance provided by our fiber sourcing programs, many of our log suppliers have third-party sustainable forest management certification such as SFI, Canadian Standards Association (CSA), Forest Stewardship Council (FSC), and the American Tree Farm Association.

In 2023, our log supply to our sawmills had the following profile by region:

- Ontario: 93% certified
- Québec: 36% certified
- BC: 81% certified
- US South: 25% certified
- US Northwest: 60% certified
- New Brunswick: 94% certified

More than 99% of Interfor's non-log suppliers and vendors are based in Canada or the US, countries with effective environmental and social laws. We maintain a **Supplier Code of Conduct** that applies to all suppliers and vendors.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Disturbance is a natural process within forested ecosystems that is integral to forest health and function.

Sustainable Practices

Interfor manages forests sustainably and does not undertake in any deforestation or conversion of forests to non-forest use. Our forest operations include the construction of permanent access roads on public land, which represent a small fraction of the land base we manage. Often, these roads also provide access for public use, including recreation, research, and management. In the limited instances that we purchase wood fiber from small-scale areas being cleared for other uses, such as utility corridors, the conversion must be minor in accordance with all applicable legislation and contribute to long-term conservation, economic and/or social benefits.

We do not use, purchase or conduct research or field trials on genetically modified trees, and we do not use nanotechnology in any of our products. We minimize chemical use, only using them where required to achieve forest renewal objectives while protecting people, wildlife and the environment. We prohibit the use of World Health Organization (WHO) type 1A and 1B pesticides, and where practicable we avoid the use of all other pesticides and herbicides. In the limited instances that we use them, our plans are reviewed with Indigenous communities which has resulted in adjusting or deferring application for alignment with their values.

Disturbance versus Deforestation

Disturbance is a natural process within forested ecosystems that is integral to forest health and function. Deforestation is the permanent removal of trees and conversion of the land to another use.

Our sustainable forest management framework seeks to emulate natural disturbance. Disturbance from sustainable forest harvesting is not deforestation or land conversion, nor do areas harvested using sustainable forest practices require reclamation. More information is available on the Natural Resources Canada website, including **Disturbances and Deforestation** and **Deforestation in Canada: Key Myths and Facts**.

Sustainable Forest Management and Natural Disturbances

After wide-scale natural disturbances such as large wildfires or insect outbreaks, sustainable forest management, including salvage harvesting followed by tree planting or aerial seeding, can accelerate the restoration of healthy functioning ecosystems and their associated benefits from riparian vegetation to carbon sequestration. Our BC Interior operations continue to undertake significant salvage of forest stands damaged by wildfires over the past two years, followed by reforestation. Our Québec operations are continuing to recover stands affected by the spruce budworm through salvage harvest. In response to the severe forest fires in 2023, green wood harvesting permits were revoked by the Québec government, in the regions affected by fire. Therefore, only wood burned or spruce budworm salvage harvesting was performed by our Québec Woodlands Operations from mid-August 2023 to the end of the year.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



We minimize our environmental impact, reduce emissions and waste, implement controls to minimize or prevent pollution, and strive for continuous improvement of our environmental performance.

Environmental Management

We're committed to protecting the environment by adhering to the highest standards in sustainable forest and mill management.

Environmental Management System

We maintain an internal Environmental Management System (EMS) that provides a structure to identify, address and manage environmental issues for all of our manufacturing facilities and woodlands operations in the US and Canada:

Policy: Our EMS is guided by our **Environment Policy**.

Verification: We perform periodic audits—both internal and independent third-party audits—to verify our EMS effectiveness and compliance.

Training and awareness: EMS awareness is part of new staff and woodlands contractor onboarding. We also have annual refresher training, EMS field tours, and regular reporting of issues at business review meetings.

Internal and external communication on EMS issues: Our operations complete quarterly reports of environmental incidents that are provided to our executive team and, when above certain thresholds, reported to our Board's Environment & Safety Committee. Indigenous communities and regulatory authorities also receive reports of incidents as applicable to their respective territories and jurisdictions.

Auditing and Measuring Performance

In our manufacturing operations, we use environmental monitoring programs that cover aspects such as water use, air emissions, waste management, fuel handling, spill and fire prevention and preparedness. We use third-party auditors to conduct compliance audits with a scoring system to track our performance, and have set a target score of 4.5 (out of the maximum achievable score of 5). In 2023, we focused our auditing program on our newly acquired operations in Ontario, Québec, and New Brunswick to achieve consistency in the company-wide auditing process. We received a rating of 3.7 averaged for these three regions, indicating that we have work to do to achieve our target. We have action plans in place for the mills audited in 2023 to improve performance in 2024. Monitoring and auditing for our forestry operations is covered under **Sustainable Forestry Certification**.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



We regularly review our practices and procedures to track and monitor performance.

As part of our Sustainability Strategy we have set a goal not just to reduce our environmental impacts, but to have a positive influence on the environment. To achieve this ambitious goal, we believe that a key step will be fostering a culture of environmental excellence. To help drive our commitment and focus on this important aspect of our business, we are setting targets and engaging our teams across all regions.

Environment-Related Targets

We have set the following targets to improve our baseline understanding of environmental metrics and our performance:

TARGET	PROGRESS OR STATUS
Install water withdrawal meters at 100% of our sawmill facilities by the end of 2023.	100% of the mills we owned in 2021 have meters installed on their water intakes. See **Water and Waste Reduction** for details.
Set water and waste reduction targets by end of 2023.	Nine reduction targets set. See **Water and Waste Reduction** for details.
Implement Biodiversity Interface Management Plans at 100% of our sawmill facilities by end of 2024.	Draft plans in progress for Western Canadian operations.
Achieve 100% completion of all legal and internal compliance tasks.	99.6% for 2023

Environment Team

Originally formed in 2020, the Environment Team is made up of environmental experts from each of our operating regions. Together, they work to standardize and improve the consistency of EMS implementation across our manufacturing facilities. The Environment Team meets regularly to share expertise and collaborate on opportunities to improve our environmental performance.

Some highlights from the Environment Team's work in 2023 include initiating the development of environmental manufacturing playbooks across our operations and creating environmental training packages for sawmill employees in BC. They also developed scorecards to track environmental compliance monthly for several mills. These will continue to be implemented across our manufacturing operations to reinforce our commitment to environmental compliance and promote best practices.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> **CLIMATE & ENVIRONMENT**
- Climate Change
- Forest Values
- **Environmental Management**
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Water and Waste Reduction

In 2022, we committed to setting water and waste reduction targets by the end of 2023.

To achieve this goal, we implemented reduction pilot projects across nine of our divisions. Each pilot site explored ways to drive either waste or water reductions and developed a site-specific target. Many of the projects introduced benefits beyond water or waste reduction, such as community and employee engagement and cost reduction opportunities. Results from these pilots will help us to expand reduction targets to our other operations.

The combined targets set by our pilot projects are expected to achieve the following reductions in 2024:

- 14,000 cubic meters of water
- 711 tonnes of waste

Waste Reduction Projects

Our Preston Division has set a target to recycle 75% of aluminum cans onsite. This is estimated to lead to the diversion of 600 pounds of the site's landfilled waste in 2024. This recycling project, in partnership with the Georgia Sheriffs' Association, will raise proceeds for Georgia Sheriffs' Youth Homes.

Our Nairn Centre and Timmins Divisions have set targets to recycle 100% of key recyclable items identified in their current waste streams. Between the two mills combined, this initiative is expected to divert up to 10.5 tonnes of waste currently being sent to the landfill each year.

At our Adams Lake Division, we have set a target to divert 700 tonnes of waste from landfill in 2024. To achieve this, we established a partnership with Spa Hills Compost to recycle our wood ash and plan to begin recycling our wooden pallets.

Wood ash is a residual produced from burning bark for biomass energy. Although previously landfilled on site, wood ash has several agricultural benefits, including balancing soil pH and replenishing nutrients like calcium, magnesium and potassium. Spa Hills Compost re-purposes our wood ash for agricultural uses and distributes it within the local farming community. By the end of 2023, 478 tonnes of wood ash had been diverted from landfill.

Wooden pallets can be upcycled into new products such as furniture and garden boxes. We are collecting and storing pallets and plan to partner with a local recycler in 2024 to find reuse solutions for the wood.

Water Reduction Projects

Our Port Angeles Division conducted a leak audit and implemented subsequent repairs. The site also successfully piloted a waterless urinal in 2023 and set a target to install 100% waterless urinals, with an anticipated saving of 151 cubic meters of water per urinal annually. Building on the success of this project, our Baxley and Monticello Divisions also plan to install waterless urinals. The annual water reduction for all three mills is expected to be up to 2,000 cubic meters.

In early 2024, our Val-d'Or Division will be installing a pre-treatment system to reduce the hardness of water to their boiler, which will help reduce the amount of water consumed on site and optimize the consumption of treatment chemicals. The site has set a target to reduce water consumption at the boiler by 15%, which equates to approximately 5,000 cubic meters of water per year.

In 2023, our Elk Lake Division switched to using calcium for dust control instead of water, which reduced the site's water usage for dust control by over 7,000 cubic meters compared to past years. By continuing to use calcium for dust control in 2024, the site is expected to reduce their water consumption for dust control by approximately 70% from the past annual average.



Wood ash is a residual of our biomass energy production. Our Adams Lake Division collects wood ash to be repurposed for local agricultural uses.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

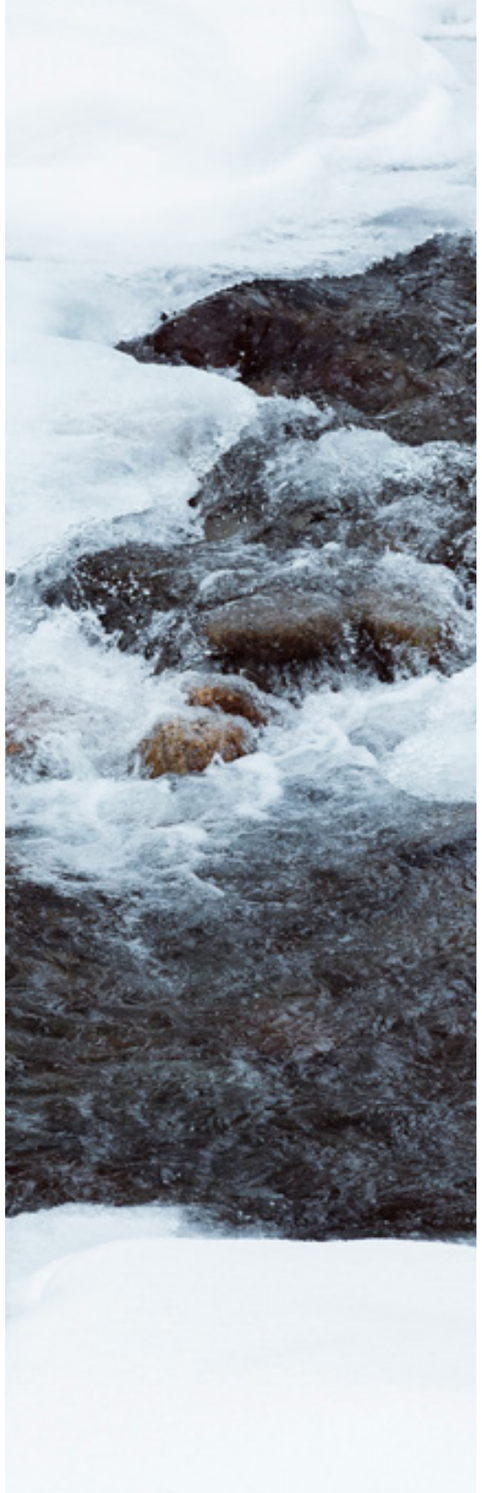
> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Water

Access to water is a universal human right. Interfor's operations do not include any water-intensive processes and none are within regions with high or extremely high baseline water stress according to the World Resources Institute (WRI) Aqueduct Water Risk Atlas.

As a small water user, our wastewater discharge is limited and the jurisdictions in which we operate employ a range of permits and authorizations with associated requirements to govern wastewater. In our industrial operations we use various methods, including oil-water separators, settling ponds, and sampling in accordance with site permits, to minimize impact on water quality.

Our manufacturing and forest operations EMS includes specific objectives and measures related to water quality such as strict fuel and chemical handling measures.

WATER WITHDRAWAL			
YEAR	2021	2022	2023
Withdrawal (m^3)	1,006,957	1,078,795+	1,227,479
Intensity (m^3 water per MFBM)	0.348	0.287+	0.297

This information is based on metered water withdrawal data, where available, and estimates for non-metered withdrawal at Interfor's facilities. Changes in our reported water over the past three years reflect the addition of new operations (Ontario, Québec and New Brunswick) as well as improved data collection following the installation of water meters.

+Restated value.

Our woodlands riparian management commitments define reserve and management zone buffers that are to be left around streams, wetlands and lakes in our harvesting operations to protect water quality, quantity and riparian habitats.

Maintaining natural drainage patterns is a core element of our standard operating procedures, and our soil management objectives contribute to water quality by protecting soil structure and productivity as well as preventing soil erosion.

Our woodlands operations use stakeholder engagement and specific measures regarding community watersheds to mitigate potential impacts to drinking water. Although we do not have any water-intensive operations, we understand that there is always room for improvement, and we are committed to continuous improvement of our environmental performance.



Water Meters

In 2021, we set a target to install water meters at 100% of our sawmill facilities by the end of 2023. As of the end of 2023, 100% of the mills we owned in 2021 had meters installed on their water intakes. For the mills in our Eastern and Atlantic Canada regions, which we acquired after setting this target, we have installed meters on 60% of water intakes and have plans to complete remaining installations in 2024.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



Cyclone filter systems cause air to move in a spinning motion, allowing dust and larger particles to be collected and removed from the air.

Air Emissions

We minimize air emissions from our manufacturing facilities using pollution control technologies suited to each site, and identify and report the air emissions produced as required by applicable legal and regulatory requirements.

Many of our sawmills use electrostatic precipitators, which are pollution control devices that use electricity to remove particulate matter in the exhaust system of the boiler.

AIR EMISSIONS

YEAR	2021		2022		2023	
	TOTAL (TONNES)	**INTENSITY** (GRAMS/MFBM)	**TOTAL** (TONNES)	**INTENSITY** (GRAMS/MFBM)	**TOTAL** (TONNES)	**INTENSITY** (GRAMS/MFBM)
Particulate Matter	635	220	904	238	981	237
NOx	461	160	660	174	706	171
SOx	54	18.7	55	14.5	66	15.8
CO	772	267	1,177	310	1,266	306
VOCs	3,239	1,121	4,285	1,130	4,481	1,084

For details on what is included in these metrics please see **References & Methodology** at the end of this report. Changes in our reported air emissions over the past three years reflect the addition of new operations (Ontario, Québec and New Brunswick).

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

WASTE AND RESIDUAL MATERIALS

YEAR	2021		2022		2023	
MATERIAL (TONNES)	LANDFILLED OR DISPOSED	RECYCLED OR REPURPOSED	LANDFILLED OR DISPOSED	RECYCLED OR REPURPOSED	LANDFILLED OR DISPOSED	RECYCLED OR REPURPOSED
Wood Residuals	2,574*+	4,091,752	1,218*+	5,419,089+	734*	4,842,754
Hazardous Waste**	20.8	50.4	146.9+	103.7+	260.9	97.3
Non-Hazardous Waste	8,012	2,773	16,442+	6,534+	14,185	12,623
Total	**10,607+**	**4,094,575**	**17,806+**	**5,425,726+**	**15,180**	**4,855,473**
% of total	**<1%**	**>99%**	**<1%**	**>99%**	**<1%**	**>99%**

Waste data presented here is based on a combination of weight records for waste and residuals from Interfor's facilities and from estimates. Changes in our reported waste volumes over the past three years reflect the addition of new operations (Ontario, Québec and New Brunswick) as well as an increased focus on identifying and collecting data for the various waste streams produced by our operations.

* Includes wood residuals that were used for soil amendments in landfills.
** Includes common or universal waste such as batteries.
+ Restated value. Includes wood residuals that were used beneficially on site at Interfor mills that were excluded in prior reporting.

Byproducts, Waste and Recycling

The main byproduct of our manufacturing process is wood residuals in the form of sawdust, shavings, chips and bark. We sell, recycle, and repurpose these for many uses from energy production to landscaping. We also produce limited amounts of other hazardous and non-hazardous waste. Overall, we sell, recycle, or repurpose more than 99% of our total waste and residual materials.

Recycling Programs

Our Burnaby, BC, Head Office is in a BOMA BEST Certified Gold building and partakes in a comprehensive recycling program including organics, batteries and e-waste. Our corporate office in Montreal is in a BOMA and LEED Platinum EB-certified building. Our other offices and operations have recycling programs for materials from paper and cardboard to scrap metal and used oil.

Use of Recycled Materials

With the exception of three of our facilities, Interfor is a primary manufacturer. Our Cedarprime and Sullivan facilities remanufacture lumber produced by our primary sawmilling operations, creating value-added products. Our Sault Ste. Marie facility produces engineered wood products known as I-joists which are used for floor and roof applications. They are produced using lumber flanges from sawmills combined with oriented strand board (OSB). The use of recycled wood or fiber is not applicable to our manufacturing processes.

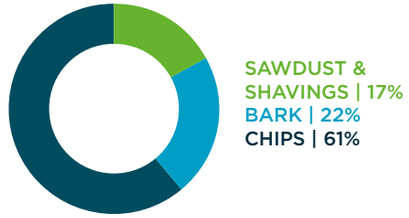
Optimizing Material Use

We have sales programs in place to maximize the use of wood residuals which other companies turn into panels, medium-density fiberboard, pulp, paper and green renewable energy, including both wood pellets and biomass for power plants. A smaller portion of our residuals is used for mulch by soil and landscaping companies and animal bedding. Interfor also uses residuals as a renewable heat and power source to dry lumber in our own kilns.

In addition to residuals, another byproduct of lumber production is short trim ends from sawn lumber. Trim ends are used or sold for energy and remanufactured into trusses, pallets, finger-joint studs and parts for furniture and cabinets.

We are exploring innovative tools with our contractors to minimize residuals left on harvesting sites. In BC, we are currently working with several of our pulp mill partners to increase our use of bush residuals by processing unused material from our harvesting operations into hog fuel. In our US South region, we have chipped and sold residuals from harvesting operations on stumpage tracts for use as fuel. We seek to balance utilization with the retention of beneficial residuals that provide wildlife habitat, support biodiversity, and can be used to mitigate erosion. Residuals left in the bush also continue to store carbon for the short term and return nutrients back into the soils as they decompose.

RESIDUALS SOLD BY INTERFOR (BY WEIGHT)



> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Spill Prevention and Response

Fuel and chemical handling, including storage, is a key part of our EMS. Our manufacturing facilities and woodlands operations have strict guidelines that specifically address handling fuel and other chemicals. In addition to maintaining emergency spill response kits, we use spill plans and emergency spill response drills to ensure our teams are well-prepared in the event of an incident.

Reportable Spills

In 2022, we revised our approach to spill reporting which has resulted in a variance from reporting in past years. As of our 2022 report, our spill reporting includes any spill that meets the legal reporting requirement for the applicable jurisdiction. This increased focus will provide additional opportunities to assess our operations for the risk of future spills, and ultimately identify ways to reduce the frequency of spills and impact on the environment. Each spill is reported to the applicable authorities, and subject to internal investigation and corrective action plans.

Emergency Spill Response

Emergency response drills are a key component of the spill preparedness and response plans at many of our sites. Drills help our teams understand exactly what to do in the event of a spill and prepare them for the challenges they may encounter. After our drills, we debrief with the team to discuss learnings and actions to improve our preparedness and response.

REPORTABLE SPILLS			
YEAR	2021	2022	2023
Number of reportable spills	3	12	28

This table is based on legal reporting requirements for each of the jurisdictions in which we operate. The reported number for 2023 includes 11 spills of 5L or less.



Spill response drills provide our teams with an opportunity to practice the hands-on skills necessary for deploying spill containment equipment.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Sustainable Products

As a manufacturer of sustainable and renewable wood products, we set ourselves apart by building strong distribution partnerships and ensuring that products are delivered on-spec and on-time.

Wood is Good

Wood is the ultimate natural, renewable and versatile building material. From houses and infrastructure to musical instruments and books, wood products not only support our basic need for shelter, but they also enrich our lives and standard of living. When wood products are manufactured in a way that is environmentally sustainable and socially responsible, we can all feel good about the significant role they play in our lives.

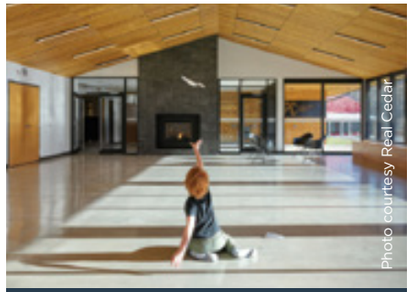


Photo courtesy Real Cedar

Many people are drawn to wood's natural appearance, and research has found that we experience a positive physiological response to wood in our homes and offices.

There are many reasons to feel good about the sustainably sourced wood products that you use or benefit from every day.

- Wood is a natural, renewable resource when it comes from sustainably managed forests.
- Trees use solar energy and carbon dioxide from the atmosphere to grow.
- Wood products store carbon for the lifetime of the product.
- When wood products displace more energy-intensive materials such as concrete or steel there is a further carbon mitigation benefit.
- Sustainable forest management can contribute to climate resilience, including reducing the risk of wildfire and accelerating reforestation following disturbance.
- Humans are intuitively drawn to visible wood surfaces, and studies have shown that we have a positive physiological response to visible wood in homes and workplaces.
- The wood products industry provides meaningful economic and social benefits in our communities and beyond.
- Wood has incredible cellular strength making it strong and stable while also pliable.
- Wood has superior insulation properties when compared to steel and concrete.
- Wood is versatile, and anyone can work with it, using basic tools and skills.



Photo courtesy Real Cedar

When wood products are sourced and manufactured sustainably, we can feel good about the substantial role they play in our lives.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> **CLIMATE & ENVIRONMENT**
- Climate Change
- Forest Values
- Environmental Management
- **Sustainable Products**
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES

Responsible Resource Use

At Interfor, we recognize the responsibility we have when working with valuable forest resources. We maintain and maximize the value of every tree harvested through our approach to sustainable forest management, sawmill optimization, investment in technology, and a culture of operational excellence. We also embrace innovation and support our operations to be nimble, seeking the best use for every species and grade in our geographically diverse operations.

We work with our distribution partners, secondary manufacturers and other members of our industry to provide a range of products for a variety of end users. This entails partnerships, built on trust and honesty, that allow two parties to sit down together and explore value creation collaboratively. The result is driving value, and ensuring cost-effective products are available for end users ranging from professional and custom builders to homeowners and hobbyists.

Adding Value with Mass Timber and Engineered Wood Products

Engineered wood products are produced by binding wood fiber with adhesives, creating products that retain many of the desirable characteristics of wood, along with enhanced strength and durability. Mass timber, a relatively new engineered wood product, uses layers of lumber and adhesives to create large and exceptionally strong structural components such as posts, beams and panels. Mass timber is engineered to be used in structural load-bearing applications and is an environmentally friendly substitute for carbon-intensive materials such as steel and concrete.

Interfor produces I-joists, an engineered wood product, at our plant in Sault Ste. Marie. This facility combines flange stock from internal lumber production and oriented strand board web stock to produce a wood structure that functions similar to an I-beam with enhanced structural properties. I-joists are used extensively in residential floor and roof framing. As a primary lumber manufacturer and forest manager, we also have a role in supplying secondary manufacturing partners with the wood fiber required to produce engineered wood components. We work with a number of secondary manufacturing partners to identify economically viable options to maximize the use of our forest resources.

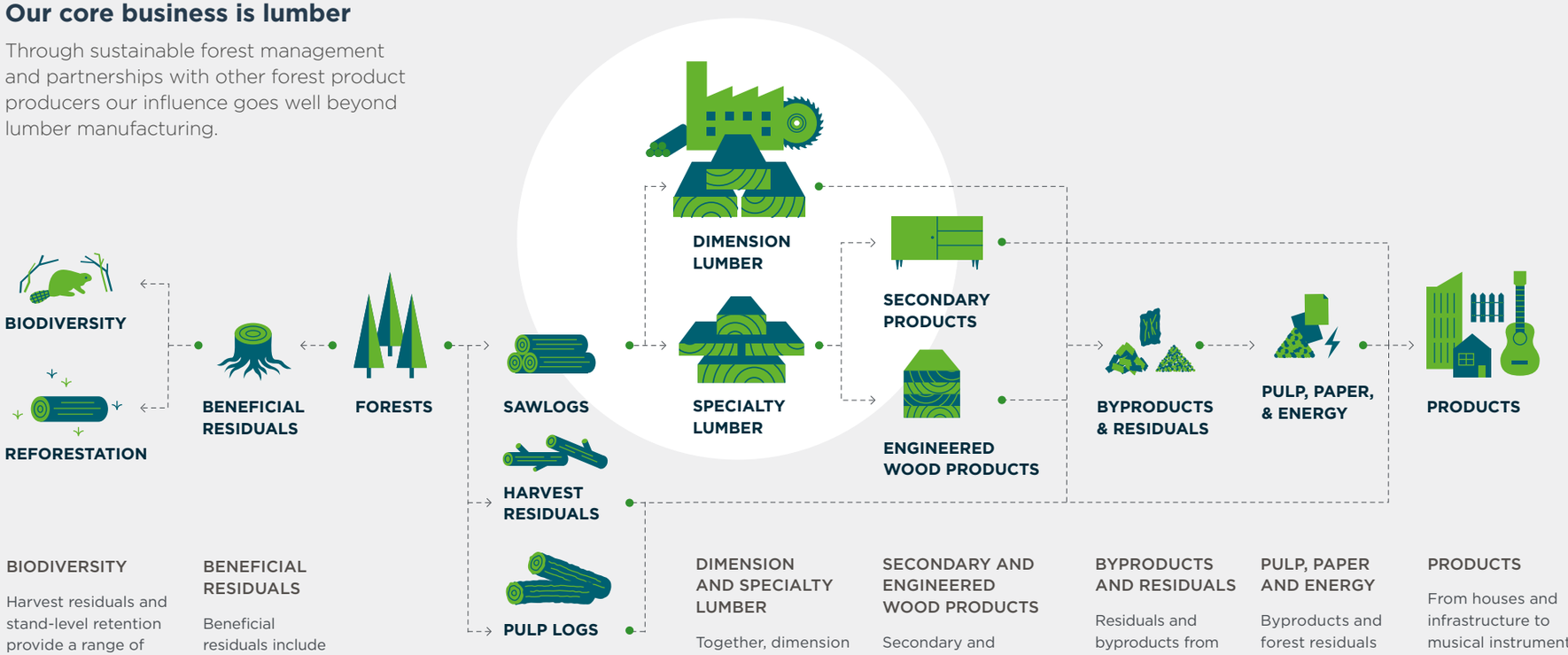


I-joists are a strong, lightweight, engineered wood structural product designed for use in residential and commercial floor and roof construction.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Our core business is lumber

Through sustainable forest management and partnerships with other forest product producers our influence goes well beyond lumber manufacturing.



BIODIVERSITY

Harvest residuals and stand-level retention provide a range of habitats and ecological functions that support biodiversity from fungi and insects to small mammals and the predators that rely on them.

REFORESTATION

Large woody debris left after harvesting can aid in reforestation by providing a source of shelter or shade for seedlings. Woody debris also functions as a moisture bank, supporting seedlings through periods of drought.

BENEFICIAL RESIDUALS

Beneficial residuals include various woody materials left on site after harvesting. These materials provide various ecological functions, supporting biodiversity and reforestation. Their retention must be balanced with the risk and probability that they become fuel for wildfires.

SAWLOGS

Sawlogs are the logs harvested from forests that are of a size and quality that facilitates lumber manufacturing. Sawlog specifications vary depending on the type of lumber being produced and the facility using them.

HARVEST RESIDUALS AND PULP LOGS

Harvest residuals include the limbs, tops and ends of trees that are not logs, but can be used. Pulp logs are the logs that are too small or of too low quality to use as sawlogs.

DIMENSION AND SPECIALTY LUMBER

Together, dimension and specialty lumber form the core of Interfor's business. This includes everything from clear cedar decking to studs used in building construction.

SECONDARY AND ENGINEERED WOOD PRODUCTS

Secondary and engineered wood products further manufacture lumber into a specific end use product. Engineered wood products, such as I-joists, glulam beams and cross-laminated timbers or mass timber, are used to create structural components for buildings.

BYPRODUCTS AND RESIDUALS

Residuals and byproducts from manufacturing include materials such as chips, sawdust and bark. While these materials were once treated as waste, today they are used in a wide range of innovative applications from energy and heating to landscaping and animal bedding.

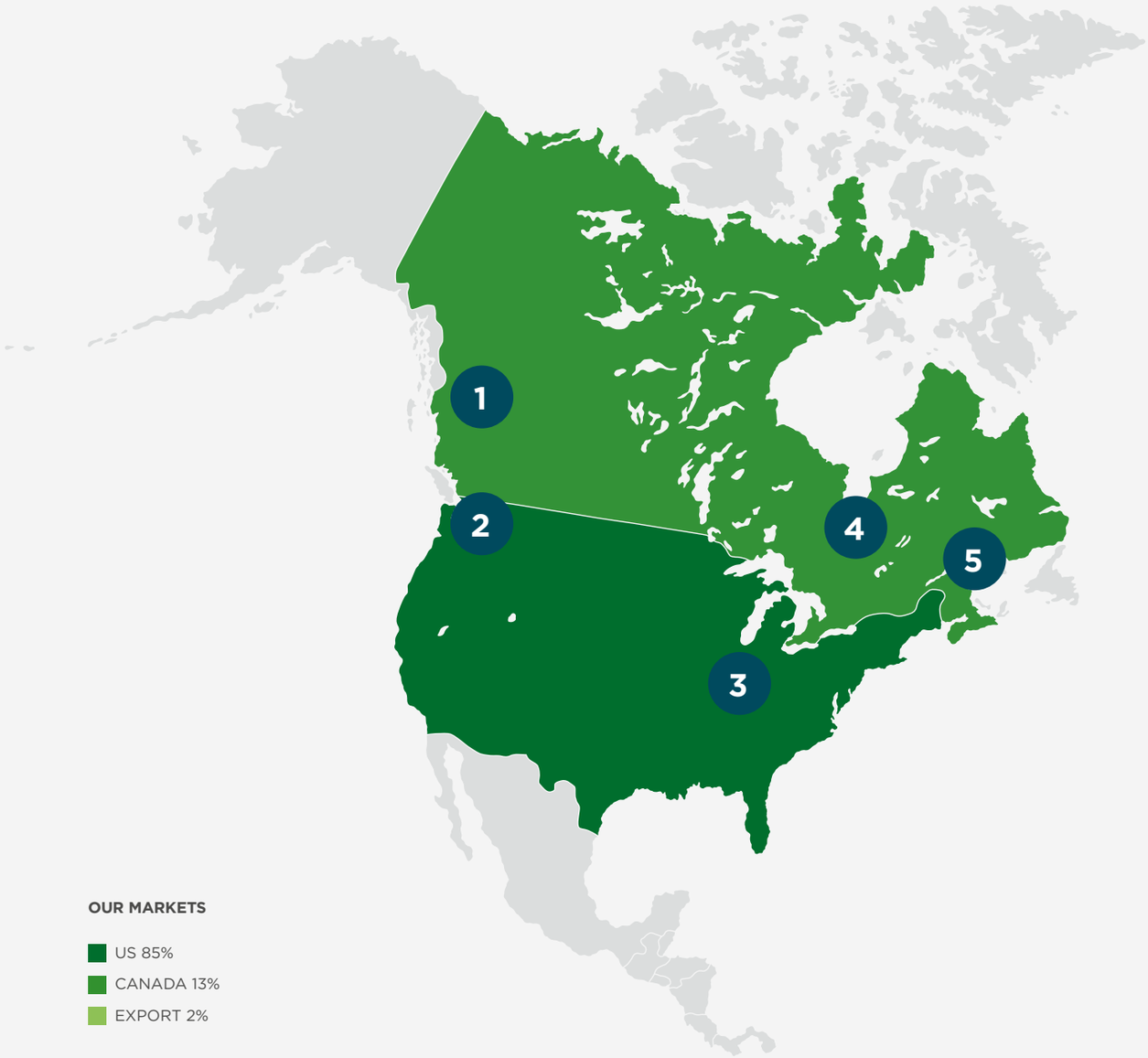
PULP, PAPER AND ENERGY

Byproducts and forest residuals form the main supply to make pulp and paper which is used to create many everyday items from books to toilet paper. Residuals such as branches, bark, shavings and sawdust are used for energy including renewable biomass, pellets and biofuels.

PRODUCTS

From houses and infrastructure to musical instruments and books, wood products not only support our basic need for shelter and homes for our families, but they also enrich our lives and standard of living.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES



OUR MARKETS

- US 85%
- CANADA 13%
- EXPORT 2%

OUR PRODUCTS BY REGION

1 BC INTERIOR

DOUGLAS-FIR-LARCH
HEM-FIR
SPRUCE-PINE-FIR
WESTERN RED CEDAR

- Dimension lumber
- Decking/Siding

2 US NORTHWEST

HEM-FIR
DOUGLAS-FIR

- Studs
- Timbers
- Dimension lumber

3 US SOUTH

SOUTHERN YELLOW PINE

- Dimension lumber
- Timbers

4 EASTERN CANADA

SPRUCE-PINE-FIR

- Studs
- Dimension lumber
- I-joists

5 ATLANTIC CANADA

SPRUCE-PINE-FIR

- Studs

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> **CLIMATE & ENVIRONMENT**
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

Infrastructure & Technology

By embracing the highest standards and advancing innovation in our manufacturing operations and woodlands, we keep our workplaces safe, increase efficiency, improve environmental performance, and deliver high-quality products.

Investing in Modern, Efficient Technology in our Mills

For the last decade, we've spent an average of more than $148 million per year upgrading or investing in our existing facilities and systems and employing the latest technology (see **Capital Investments** chart).

We're six years into a multi-year strategic capital investment program, designed to increase production capacity, improve lumber recovery and enhance our product mix. While the program has focused predominantly on our facilities in the US South, it includes projects in our US Northwest and BC Interior regions. Accomplishments in 2023 included the completion of:

- A major sawmill upgrade at our Eatonton Division in Georgia;
- A new continuous drying kiln at our Grand Forks Division in BC; and
- Sawmill upgrades at our Perry Division in Georgia.

Investment in modern and efficient technology continues to be the foundation of our business. Building on our successful accomplishments to date, our multi-year program continues to evolve and grow.

Over the next several years, we'll be focusing on various investments that are expected to grow lumber production, further optimize conversion costs, improve lumber recovery, and enhance grade and product mix. All of these benefits will help position our portfolio of manufacturing operations as some of the most competitive in the industry and ensure their safe, high-quality, efficient and sustainable operation through all market cycles.

Strategic Projects Completed or Active (2018-2023)

- New planer and kiln upgrade, Meldrim 2019
- Major rebuild, Monticello 2019
- Major planer upgrade, Eatonton 2020
- Major planer upgrades, Georgetown 2020
- Primary breakdown upgrades, Molalla 2020
- New kiln, Perry 2020
- New kiln, Adams Lake 2021
- Auto-grader and planer upgrades, Baxley 2021
- Major sawmill upgrade, Eatonton 2023
- New planer upgrades, Castlegar 2023
- Sawmill upgrades, Perry 2023
- New kiln, Grand Forks 2023
- Kiln conversion, Bathurst 2023



Grand Forks Continuous Drying Kiln

In 2023, a continuous drying kiln was installed at our Grand Forks Division and is expected to deliver energy cost savings along with a positive impact on grade outturn. Additionally, the project incorporates environmental advantages through the implementation of a proposed pilot water filtration system. The primary objective is to treat water effectively, allowing for discharge to the ground or water body, thereby eliminating the need for energy-intensive processes such as evaporation, which consumes natural gas.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



In our US Northwest operations, our team is utilizing handheld thermal cameras on contract logging operations in conjunction with our standard fire preparedness and weather observation procedures. This year was the first year that this tool was deployed to detect possible fire starts. It is also being used to monitor the temperature of ground fuels to help us track how they change throughout the day with different weather conditions.

Investing in Modern, Efficient Technology in our Woodlands

We invest in new technology to be used in the woodlands we manage, and we support technology investments made by the timber harvesting companies and landowners who work with us. Some highlights include:

- Equipping all staff with satellite communication devices to support safety while working in remote locations;
- Assisting wildfire fighting efforts by using drone-based infrared imagery in collaboration with the BC Wildfire Service to detect hot spots outside of established wildfire guards;
- Using handheld thermal cameras in logging operations to improve early detection of possible fire starts;
- Acquiring highly detailed remote sensing LiDAR (Light Detection and Ranging) data to inform inventory, planning and development across our operations;
- Employing spatial operational planning modeling to support sustainable harvest plans;
- Using immersive LiDAR software as a virtual platform for staff, Indigenous partners and stakeholders to conduct and assess preliminary forestry and engineering activities remotely;
- Surveying and tracking forest operations and inventories using drones;
- Using GPS (Global Positioning System) technology as well as fixed and dashboard cameras at our sites, in trucks and mobile equipment to improve and promote high safety standards; and
- Utilizing GIS (Geographic Information System) to collect, manage and report on roads, operations and safety.

Creative and Advanced Use of Technology to Manage Forests

In our Canadian woodlands, we use drones and GIS to collect information and track work needing to be done. For example, we survey the final locations of built roads using drones and we complete road inspections on GPS-enabled handheld devices. In both cases, the use of technology facilitates efficient data entry into our mapping and information systems. The map points can also be provided digitally to our contractors along with work prescriptions, so they know exactly what needs to be done and where.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> **CLIMATE & ENVIRONMENT**

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> APPENDICES



The Eastern Whip-poor-will, pictured above, is considered a threatened species in Canada. Our Ontario woodlands are supporting research related to Whip-poor-will habitat.

Investing in Research

Research in partnership with other organizations plays an important role in ensuring the efficiency and effectiveness of our operations and forest management activities.

We continue to support and fund a research partnership started in 2019 with Clemson University in South Carolina. Using land attached to our Georgetown Division, the project is focused on how tree spacing, planting densities and varied herbicide prescriptions will impact seedling survival and tree growth.

In 2023, we partnered with the University of Georgia on a research project that utilizes LiDAR imaging to estimate the weight and volume of log loads. This research seeks to improve the accuracy of estimated log truck weight at harvest sites. This would help to minimize log truck weight variability, improve highway safety, reduce hauling costs, and increase profitability.

We support research in Canada to advance sustainable forestry and support sound forest management. Our Ontario woodlands are providing financial support to a research project that is using highly accurate tracking technology to investigate fine-scale habitat use of Eastern Whip-poor-will on Canadian breeding grounds, wintering grounds, and during migration. Eastern Whip-poor-will is designated as a threatened species and the study is seeking to develop and refine effective management and recovery strategies.

Our operations in Ontario are also participating in a research study investigating the use of mycorrhizal fungi to inoculate tree seedlings as an alternative to herbicide application.

The project is being led by the Indigenous-owned organization Wahkohtowin and Mikro-Tek. Interfor is contributing seedlings, data and records as well as in-kind expertise from our forestry team.

In BC, our woodlands operations have partnered with the University of British Columbia (UBC) Faculty of Forestry to support research projects to improve identification of marbled murrelet habitats and to develop predictive ecosystem mapping for all of the province. We have also:

- Provided historical and spatial data from our cutblocks to a researcher from the University of Northern BC studying the long-term effects of carbon dynamics due to partial harvesting;
- Supported a hydrological modeling project in southeastern BC focused on accurate assessment of hydrological impacts of forest development and climate change in snowmelt watersheds;
- Installed and retrieved trail cameras to support the BC Wildlife Federation's work studying and helping to restore mule deer populations; and
- Provided a field site for sampling to support a UBC graduate student's research project focused on analyzing greenhouse gas emissions from heartwood rot.

Interfor is also a member of the National Council for Air and Stream Improvement (NCASI), a research organization that conducts basic and applied scientific research to support the forest industry in achieving environmental and sustainability goals.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> **GOVERNANCE**

> REFERENCES & METHODOLOGY

> APPENDICES

GOVERNANCE

Our strong governance practices and policies promote the long-term interests of our stakeholders, ensure that we operate sustainably and build public trust in our Company.

Photo courtesy Randy Waterous

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> **GOVERNANCE**

> REFERENCES & METHODOLOGY

> APPENDICES



Interfor's industry-leading governance practices are built on a framework of written policies and guidelines, which we update and enhance regularly. Our Management Information Circular provides detailed information on our governance policies and practices.

The Corporate Governance, Responsibility & Nominating Committee of our Board is mandated to ensure that the Company develops and implements an effective approach to corporate governance. This includes oversight over corporate governance, corporate responsibility (including the Human Rights Policy) and Board composition.

Our Code of Conduct & Ethics (the "Code") applies to all of Interfor's directors, officers and employees. It highlights our core values and provides guidelines for acceptable behavior by requiring ethical business conduct, prohibiting bribery, regulating conflicts of interest, and restricting political donations. Compliance with the Code is a condition of employment for our employees and a condition of office in the case of our directors and officers. All directors, officers and salaried employees review and acknowledge the Code annually, thus increasing personal accountability.

Our Company has formal procedures for monitoring and maintaining compliance with our Code and related business ethics policies, including stringent controls over the movement of money, customer credit checks, and vendor due diligence. We comply with securities regulations related to internal controls over financial reporting and disclosure controls and procedures, which include an annual compliance audit and require our CEO and CFO to assess and certify their effectiveness annually. We conduct an annual survey of a random sample of employees to assess the effectiveness of corporate policies and procedures to obtain input regarding the Company's leadership and overall corporate integrity, and to inform shifts in the Company's operations. The Company also provides anti-fraud training annually and conducts an annual fraud risk assessment and anti-bribery and corruption program assessment, which are reported to the Audit Committee of our Board.

Both the Code and the Company's Whistleblower Policy protect those who in good faith raise a concern or report misconduct, and the Company provides a confidential whistleblower hotline to encourage employees, contractors, vendors and the general public to report any concerns.

In 2023, 69 reports related to safety, the environment, human resources and other matters were received through our whistleblower hotline and other reporting avenues. All reports were investigated, and follow-up actions included addressing unsafe conditions, training and coaching, suspension and termination.

POLICY AND ETHICS HIGHLIGHTS	
Code of Conduct & Ethics	Whistleblower Policy
Diversity Policy	Human Rights Policy
Majority Voting Policy	Environment Policy
Insider Trading Policy	Health and Safety Policy
Anti-Bribery and Anti-Corruption Policy	Compensation Policy
Indigenous Relations Policy	Sustainable Forestry & Log Procurement Policy

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> **GOVERNANCE**
> REFERENCES & METHODOLOGY
> APPENDICES

Risk Management

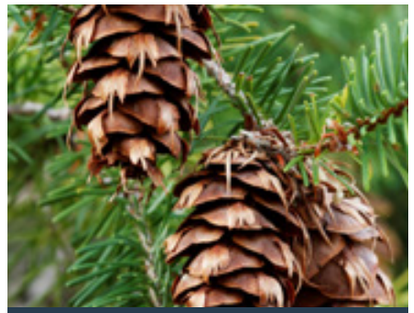
A report on company-wide material risks is reviewed by our senior executives and the Audit Committee of the Board on a quarterly basis. Annually, senior leaders throughout the Company contribute updates to a register of risks that have been identified as material to our business. These are reported to the Board and inform our risk mitigation strategies.

Responsibility for managing each category of risks on the risk register resides with the executive who leads the relevant function:

- The EVP & CFO is responsible for managing financial and information technology risks;
- The EVP, Canadian Operations is responsible for managing Canadian operational risks;
- The EVP, US Operations is responsible for managing US operational risks;
- The SVP, Human Resources is responsible for managing human resources risks;
- The SVP, Sales & Marketing is responsible for managing sales and marketing risks; and
- The General Counsel is responsible for managing litigation, regulatory and compliance risks.

The Audit Committee of our Board has oversight of information systems security risk exposure, and senior leadership provides a quarterly information systems security update. Management has implemented an information security governance council that meets on a monthly basis regarding the processes and initiatives in place for managing information security risk, including:

- Implementing best practices for data protection, network security, monitoring and alerts;
- Regular cybersecurity risk awareness education programs for employees (including training webinars and phishing campaigns);
- Incident response and business continuity plans; and
- Annual third-party security maturity assessments, rating targets and action plans for continuous improvement.



Interfor is a publicly listed company on the Toronto Stock Exchange (TSX). We comply with corporate governance requirements that apply to TSX-listed companies and BC issuers including those of the TSX, the Canadian Securities Regulations, and applicable provincial regulations.

POLITICAL CONTRIBUTIONS

YEAR	2021		2022		2023	
COUNTRY	TOTAL $	% OF REVENUE	TOTAL $	% OF REVENUE	TOTAL $	% OF REVENUE
Canada	None	N/A	None	N/A	None	N/A
US	$10,000 USD	<0.001%	$17,250 USD	<0.001%	$11,950 USD	<0.001%

Political Contributions

Political contributions made on behalf of Interfor are governed by our **Code of Conduct & Ethics**. They must comply with all applicable laws for the relevant jurisdiction and must be approved in advance by either our CEO or senior management.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

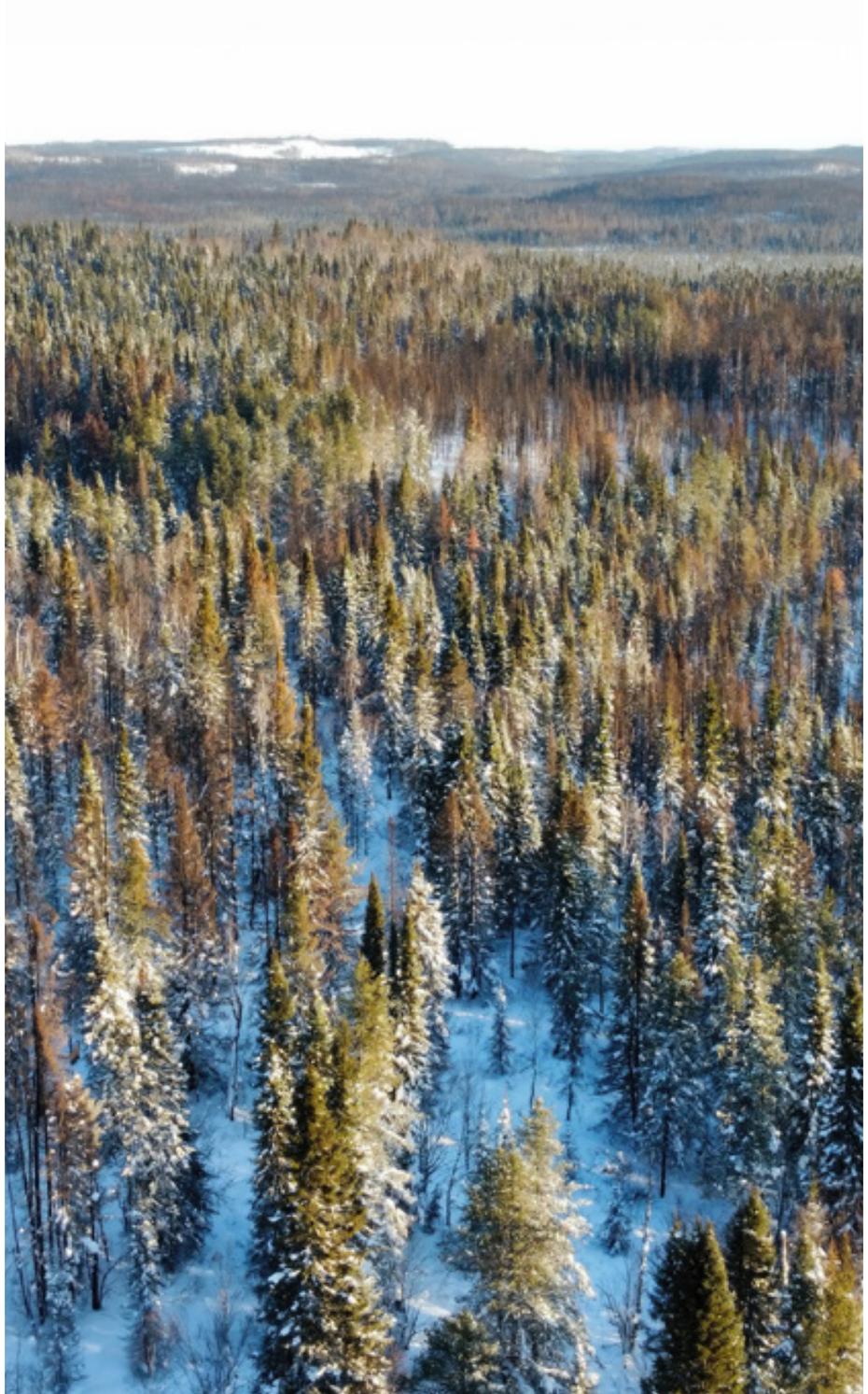
> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> **GOVERNANCE**

> REFERENCES & METHODOLOGY

> APPENDICES



CORPORATE GOVERNANCE HIGHLIGHTS 2023	
Size of board	12 directors
Policy on Board independence	Yes – Board Terms of Reference
Independent Directors	11 (92%)
Independent Board Chair	Yes
Separate Board Chair and CEO	Yes
Committee independence	100% of each of the 4 Board committees is independent
Independent Director meetings without any management present	Yes – after every board meeting and additionally if deemed necessary
Average age of directors	66.5 years
Mandatory retirement policy for directors	75 years of age and tenure >10 years
Average board tenure	9.2 years
Board member elections	All directors are elected annually
Women on Board	3 (25%)
Average Board and Committee meeting attendance in 2023	95%
Supermajority vote requirements	No supermajority required, except for amalgamations, arrangements, or altering rights/restrictions attached to issued shares
% of vote in support of CEO at 2023 annual meeting	96.36%
% of vote in support of Board Chair at 2023 annual meeting	92.33%
Share ownership requirements for directors and senior executives	Yes
Shareholder vote on executive pay	Yes, 94.71% in favor at 2023 AGM
Restated financials or late financial disclosures in the past 2 years	0
Latest audit opinion	Unqualified (i.e. a clean opinion)
Controlled company?	No—Interfor is a widely held public company listed on the TSX
Dual-class stock?	No—only common shares are issued and outstanding
Shareholder rights plan?	None

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> **REFERENCES & METHODOLOGY**

> APPENDICES

REFERENCES & METHODOLOGY

We are committed to transparency in our reported metrics and continuous improvement of our methodology.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> **REFERENCES & METHODOLOGY**
> APPENDICES



Treatment of Acquisitions

The introduction of this report includes metrics on the total number of sawmills that Interfor operates by region and our annual production capacity. Unless otherwise specified, metrics include data from the operations in Eastern and Atlantic Canada acquired by Interfor in 2022.

Sources Referenced within this Report

CORRIM 2020
Effective Uses of Forest-Derived Products to Reduce Carbon Emissions

CORRIM 2020
Factsheet: Reducing Carbon Emissions by Using Wood Products

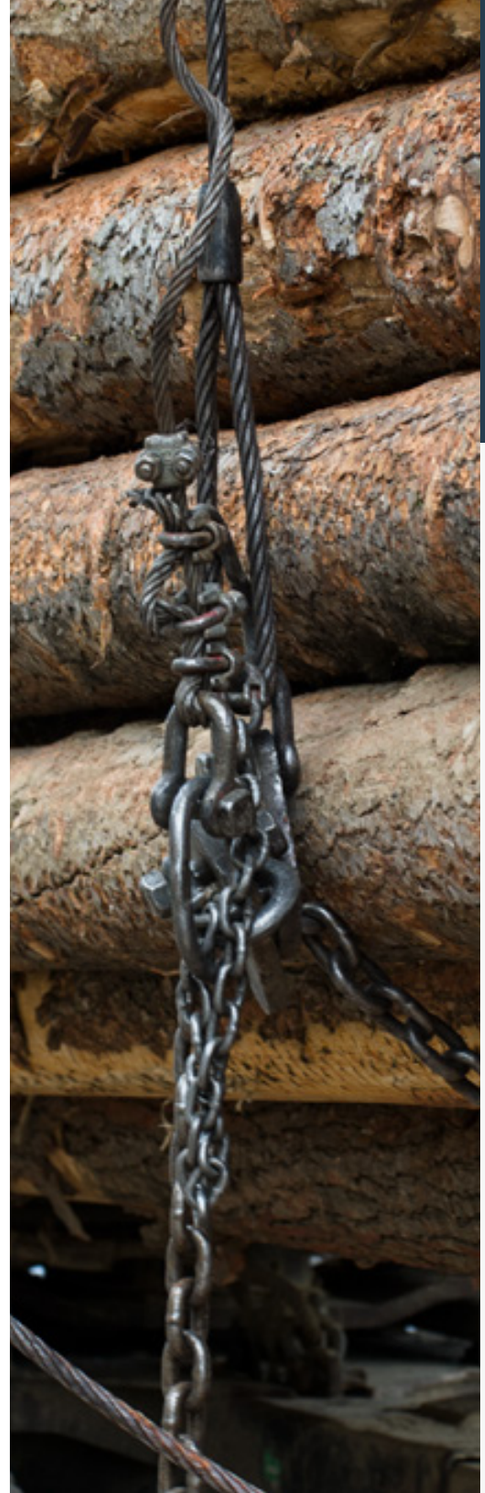
BC Forestry Climate Change Working Group and the California Forestry Association 2009
Tackle Climate Change, Use Wood

FPInnovations 2011
Wood and Human Health

Forsite 2021
Status of BC's Old Forests, The Situation in 2021

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

SAFETY METRICS METHODOLOGY	
Serious Injuries	Serious injuries are a subset of work-related employee recordable incidents. They are injuries that result in a fatality, are life-threatening or are considered life-altering injuries.
Medical Incident Rate (MIR)	The MIR is calculated by multiplying the number of recordable incidents by 200,000 and dividing this by the number of hours all employees actually worked. The 200,000 hours represents 100 full-time equivalent employees working 40 hours a week for 50 weeks. Recordable incidents include medical treatments, lost time incidents, restricted work incidents and fatalities.
MIR Reduction Target	The target to reduce the MIR by 3% every year is based on a three-year rolling average.
Lost Time Frequency Rate (LTFR)	The LTFR is calculated by multiplying the number of lost time incidents by 200,000 and dividing this by the number of hours all employees actually worked. The 200,000 hours represents 100 full-time equivalent employees working 40 hours a week for 50 weeks.
Lost Time Incidents	Lost time incidents include any in which an employee loses one or more days from work due to an occupational injury or illness.
Serious Injury Rate	Similar to the MIR, the serious injuries rate is the number of serious injuries per 100 employees working full time in a year. It is calculated by multiplying the number of serious injuries by 200,000 and dividing this by the number of hours all employees actually worked.
Lost Working Days	Calculated using OSHA methodology.
Lost Day Rate	Calculated using lost days multiplied by 200,000 and divided by the total number of hours all employees actually worked.
Occupational Disease Cases	Determined using OSHA methodology, includes work-related stress leave.
Proactive Safety Reports	Includes hazard reports, close call reports, safety action reports and observation reports.
Capital Projects | Contractor MIR	See Medical Incident Rate section above for methodology. The Capital Projects Contractor MIR is calculated for each year using the total project-to-date hours and incidents for capital projects active in the reporting year.
Woodlands Contractor MIR	See Medical Incident Rate section above for methodology. Woodlands contractor MIR includes all Canadian woodlands contractors.





> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> **REFERENCES & METHODOLOGY**
> APPENDICES

EMPLOYEE METRICS AND TARGETS METHODOLOGY

Internal Promotions	Entry-level positions, including intern positions, are not included in the calculation of the percentage of internal promotions.
Amount Spent on Learning and Education	Excludes wages paid to employees while learning, training or studying.
Total Hours Spent on Learning, Company-wide in 2023	Includes hourly and salaried learning, training or studying either through our learning management system or through our millwright training programs. Excludes learning and courses completed externally such as continuing development courses provided to professionals by their associations.
Employee Development Programs	Metrics that reference the total number of employees that have completed, graduated from or were active in programs excludes any employees that previously completed or were active in the program but were no longer employees as of Dec 31, 2023.
Millwright Program Highlights – Investment per Participant	Based on total spending for the programs (supplies, system costs, trade center costs, instructor wages and student travel, meals and accommodation) and excludes wages paid to employees during learning, training and studying.
Diversity Metrics and Targets	In all diversity metrics, information for Canadian operations is based on voluntary employee surveys. Where employees decline to identify their gender or race/ethnicity, they are assumed to not belong to an under-represented group.
Leadership & Development Programs Target	Includes the following programs: LEAD-X, Industrial Wood Processing Program, Business of Sawmilling, Millwright Apprenticeship Program, Advanced Maintenance Training, Millwright Accelerator Training and Saw Filer Apprenticeship Program. Employees enrolled in more than one program are only counted once. Excludes any individuals who were no longer employees as of Dec 31, 2023.
Hourly Trades/Skilled Workforce	Includes all positions requiring advanced training and skills to operate or maintain equipment and excludes entry-level positions.
Supervisors / Superintendents	Includes all positions in front line or department level leadership in our manufacturing or woodlands operations and excludes senior managers.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> **REFERENCES & METHODOLOGY**
> APPENDICES

CLIMATE METRICS METHODOLOGY

Base Year and Recalcuation Methods	The base year selected for Interfor's GHG inventory and reduction target is 2021. Annual reporting prior to 2021 will not be recalculated. Non-organic changes to facilities in operation, changes in calculation methods (data, emissions factors), correction of errors and assumptions or revised operational boundaries that are expected to result in a >5% change from the base year, result in a recalculation of the base year (2021) and historic emissions. See Variances from Previous Report for details on restated values in this report.
Scope 1 Emissions	Includes carbon dioxide (CO_2), methane (CH_4) and nitrous oxide (N_2O) expressed in tonnes of carbon dioxide equivalent (CO_2e). **Calculated using:** • Fossil fuel consumption (natural gas, diesel, gasoline, propane) for both stationary and mobile combustion at primary sawmilling operations, remanufacturing facilities, one I-joist plant and woodlands operations; and • CH_4 and N_2O from biomass combustion at primary sawmilling operations that use biomass as a source of heat and power for kiln-drying operations. Emissions factors for CO_2, CH_4 and N_2O were used to calculate stationary or mobile combustion of each fuel. For fuels used in both mobile and stationary applications (e.g. diesel) the amount of each application was estimated as a percentage of total use at a regional or site level. The appropriate emissions factors for the mobile portion of fuel used were selected based on the vehicle fleet and fuel use at each site (e.g. Tier 4 mobile equipment, light pickup trucks, marine). Factors used to calculate CO_2, CH_4 and N_2O emissions are from: • United States Environmental Protection Agency (US EPA) GHG Emission Factors Hub for all US facilities; and • Environment and Climate Change Canada - National Inventory Report 1990-2021 for all Canadian facilities. Global Warming Potential (GWP) factors used to calculate CO_2e are from the Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (AR5) as adapted by the GHG Protocol.

Notes:
Excludes CO_2 emissions from biomass combustion. As per the GHG Protocol these are reported separately. Regional numbers included within our Company total may vary from state or provincially reported numbers due to methodology. For example, our calculations use IPCC Fifth Assessment Report GWP factors (per GHG Protocol recommendations) while reporting requirements in some jurisdictions specify using Fourth Assessment Report GWP factors.





> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> **REFERENCES & METHODOLOGY**
> APPENDICES

CLIMATE METRICS METHODOLOGY CONTINUED

Scope 2 Emissions	Location-based emissions are calculated using regional electricity consumption and corresponding GHG emissions factors. Sources by operation are:
	• Environment and Climate Change Canada National Inventory Report 1990-2021 - Part 3 for all Canadian facilities (by province)
	• US Energy Information Administration Power Profiles (Power Profiler Emissions Tool 2021) by subregion:
	  • SRSO (South): Baxley, Eatonton, Meldrim, Perry, Preston, Swainsboro, Bay Springs, Fayette
	  • SRVC (Virginia-Carolina): Georgetown, Summerville
	  • SRMV (Mississippi Valley): Monticello, DeQuincy
	  • NWPP (Northwest): Longview, Port Angeles, Molalla, Cedarprime, Philomath
	Includes purchased electricity only.
	Electricity covered in building leases (minor use) is not included. GHG emissions associated with electricity lost during transportation and distribution is excluded.

Scope 3 Emissions	Interfor's Scope 3 Emissions Inventory is calculated using a combination of methods: spend-based, average-data and supplier-specific. The inventory calculations include data and estimates, and all assumptions and methods are documented in the Interfor GHG Inventory and Target Methodology Guide. A continuous improvement process will be used to refine and improve this methodology, the inventory and, as needed, to re-calculate and revise reporting for previous years.
Intensity	Calculated in tonnes of CO_2e per thousand board feet of lumber produced including: • Direct Scope 1 emissions; • Indirect Scope 2 emissions; and • Annual lumber production, all divisions.
Variances from Previous Report	Variances from previous year's reporting of 2021 and 2022 emissions are due to: • Inclusion of acquired operations in New Brunswick; • Updated emissions factors; and • Minor corrections to data.
Carbon Stored	Calculated using the Canadian Wood Council's Carbon Calculator and the total board feet of lumber, by species grouping, sold by Interfor in the reporting year.
Carbon Dioxide Emissions from Biomass Combustion	Includes calculated CO_2 emissions from biomass consumption at facilities where biomass is consumed for energy. CH_4 and N_2O emissions from combustion of biomass are included in Scope 1 emissions and excluded from biogenic carbon dioxide emissions from biomass combustion. Factors used to calculate CO_2 emissions are from: • US EPA GHG Emission Factors Hub for all US facilities; and • Environment and Climate Change Canada - National Inventory Report 1990-2021 for all Canadian facilities.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> **REFERENCES & METHODOLOGY**
> APPENDICES

CLIMATE METRICS METHODOLOGY CONTINUED

Energy Use	Energy purchased excludes electricity covered in building leases (minor use). Proportion of renewable vs. non-renewable purchased electricity is based on published percentage by region (Canada Energy Regulator, BC Hydro and US EIA Power Profiles). Energy produced includes: • Energy from onsite biomass combustion calculated in GJ per tonne of biomass consumed; and • Energy from fossil fuel combustion including natural gas, diesel, propane and gasoline calculated in GJ per units of fossil fuel consumed in both mobile and stationary applications.
Energy Resilience	Percentage of kilns by fuel type includes kilns that are actively in use.
Trees Planted	Includes total trees planted in woodlands managed by Interfor including BC, Ontario and New Brunswick woodlands. Excludes Québec woodlands where planting is conducted by the provincial government.

ENVIRONMENT METRICS METHODOLOGY

Biodiversity Interface Management Plans Target	Target to implement Biodiversity Interface Management Plans at 100% of our sites by end of 2024 is specific to Interfor manufacturing facilities. Interfor woodlands have existing, comprehensive biodiversity management frameworks incorporated into forest management and stewardship plans.
Compliance Target	Target to achieve 100% completion of all legal and internal compliance tasks is specific to Compliance Schedules for Interfor manufacturing facilities and includes legal requirements as well as requirements under Interfor's EMS.
Water Withdrawal	Water withdrawal information is based on metered water withdrawal data, where available, and estimates. The restated value for 2022 reflects the inclusion of a water source that was previously excluded. Changes in total water consumption over the past 3 years reflect the acquisition of new operations, as well as improved tracking of water use due to the installation of water meters.
Air Emissions	Air emissions data is compiled using mill emissions inventories and reports from each individual facility. Reported emissions methodology, such as sources included and emissions factors, are based on regional reporting requirements for each site.
Waste and Beneficial Use/Recycling	Waste and beneficial use/recycling data is compiled based on a combination of scaled weight data, waste hauling manifests and estimates; all amounts reported are approximate. The restated values for prior years are a result of the work we did in 2023 to improve our data collection and categorization of waste types. Note: wastewater discharge is not included in this metric.
Reportable Spills	Includes any spill that meets the legal reporting requirement for the applicable jurisdiction.





> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> **REFERENCES & METHODOLOGY**
> APPENDICES

ENVIRONMENT METRICS METHODOLOGY CONTINUED

Waste Reduction Projects	For waste reduction targets, the key recyclable items at Nairn Centre include aluminum food and beverage cans, glass food and beverage bottles, steel food and beverage cans, PET #1 plastics, #4 LDPE plastic film, #6 polystyrene, paper towels, and disposable food packaging. At Timmins they include aluminum food and beverage cans, glass food and beverage bottles, PET #1 plastics, and disposable food packaging.
Expected Water Reductions	Estimated water reductions for waterless urinal targets (Port Angeles, Baxley and Monticello) are based on manufacturers specifications. Water reductions for pre-treatment on boiler system (Val-d'Or) are based on manufacturer estimates. The 15% reduction is based on holding production and up-time constant, while comparing against 2022 as the baseline year. Water reductions for calcium dust control (Elk Lake) are based on historic water use compared to 2023 trials.
Expected Waste Reductions	Expected waste reductions at Preston are based on monthly information from the pilot project. Expected waste reductions at Nairn Centre and Timmins were calculated using site specific information. Expected waste reductions at Adams Lake are based on the data collected during the pilot in 2023.
Water Meters	Sites with pending water meter installations include: Nairn Centre, Gogama, Elk Lake, Val-d'Or and Bathurst, all of which were acquired in 2022 after the water meter target was established.

OTHER METRICS METHODOLOGY

Indigenous Territories and Agreements	Total number of territories is based on available records and information. Individual agreements and communities with agreements are based on cumulative total since 2010.
Indigenous Employment	All metrics regarding Indigenous employment are based on voluntary disclosure or identification as Indigenous.
Eastern Operations Indigenous Work-force by Department	This table is specific to Ontario and Québec operations that track this information in support of their Progressive Aboriginal Relations Certification.
Community Donations	All amounts are based on actual spend in 2023.
Capital Investments (Upgrades)	Includes capital expenditures for upgrades and investments in existing facilities and systems only.

OTHER Unless otherwise stated, all figures in this report are provided in Canadian dollars. SFI Marks are registered marks owned by Sustainable Forestry Initiative Inc.
PAGE 56 PHOTO CREDITS Amabalis Fir, Diego Sanchez; Douglas-Fir, Kristin Charleton; Engelmann Spruce, Barbara Zimonick; Lodgepole Pine, Diego Sanchez; Ponderosa Pine, Barbara Zimonick; Red Alder, Kristin Charleton; Sitka Spruce, Diego Sanchez; Subalpine Fir, Nuance, Jonathan Clark; Western Hemlock, Kristin Charleton; Western Larch, Nuance, Jonathan Clark; Western Red Cedar, Kristin Charleton; Western White Pine, Diego Sanchez; Yellow Cedar, Diego Sanchez; (all except Whitebark Pine, Jack Pine, Red Pine, Eastern White Pine, White Spruce, Black Spruce, Red Spruce) courtesy naturallywood.com.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> **APPENDICES**

APPENDIX I

Sustainable Development

Supporting the United Nations Sustainable Development Goals.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> **APPENDICES**

SUSTAINABLE DEVELOPMENT GOALS

Supporting the United Nations Sustainable Development Goals

As one of the world's largest forest products companies with operations across North America and customers around the globe, we can make a significant contribution to sustainable development. Here we share our holistic approach to sustainable development by providing information on how we support and contribute to each of the 17 UN Sustainable Development Goals (SDG) with links to more detail on the initiatives and performance behind each.



Photo courtesy Randy Waterous

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> **APPENDICES**

SUSTAINABLE DEVELOPMENT GOALS	INTERFOR'S ALIGNMENT & CONTRIBUTION
 **End poverty in all its forms everywhere**	The majority of our operations and offices have established partnerships with Habitat for Humanity affiliates, whose vision is to achieve a world where everyone has a decent place to live. Through the partnership we provide lumber and monetary donations to build homes for families in need.
 **End hunger, achieve food security and improved nutrition and promote sustainable agriculture**	Through local and employee-led initiatives, we support local food banks and other charities which provide vulnerable people in our communities with access to safe and nutritious food.
 **Ensure healthy lives and promote well-being for all at all ages**	From our industry-leading health and safety programs to employee development that focuses on well-being and our fulsome benefits package, we contribute to healthy lives. Support for specific targets under this goal comes from our Employee Assistance Program, the implementation of our Drug and Alcohol Policy that includes accommodation for employees suffering from addiction, and through our innovative initiatives to improve vehicle and traffic safety.
 **Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all**	We support employee growth and development by offering a wide range of learning and education opportunities. We have expanded access to training in skilled trades in our US South region by building our Interfor Center for Trades Excellence in Perry, Georgia. We support access to education through a number of scholarships and bursary programs.
 **Achieve gender equality and empower all women and girls**	We're using initiatives and targets to increase the recruitment, retention, and promotion of women in an industry that has historically been male dominated. We celebrate the women in our workforce and give them a platform to inspire and encourage others.
 **Ensure availability and sustainable management of water and sanitation for all**	Our Environmental Management System (EMS) has strict requirements regarding the protection of water quality. Although lumber manufacturing is not a water-intensive process and we do not operate in any regions with high or extremely high baseline water stress, we are working to install water withdrawal meters at all our sites to help track and identify opportunities to reduce water use.

> INTRODUCTION
- CEO Message
- VP, Woodlands & Chief Forester Message
- Building Value Sustainably

> SAFETY
- Programs & Certification
- Key Metrics
- Contractor Safety

> PEOPLE
- Employee Development
- Diversity, Equity & Inclusion
- Recruitment & Culture
- Indigenous Peoples
- Communities
- Customers

> CLIMATE & ENVIRONMENT
- Climate Change
- Forest Values
- Environmental Management
- Sustainable Products
- Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> **APPENDICES**

	SUSTAINABLE DEVELOPMENT GOALS	INTERFOR'S ALIGNMENT & CONTRIBUTION
	**Ensure access to affordable, reliable, sustainable and modern energy for all**	77% of the energy we consumed in 2023 was from renewable sources. We also sell residuals to customers who use them for energy or convert them into pellets for both industrial and residential energy needs.
	**Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all**	We employed approximately 5,300 people in 2023 and have demonstrated our ability to grow and build value sustainably for our employees, our shareholders, and our communities. Our partnerships and agreements with Indigenous nations support economic growth and employment in their communities.
	**Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation**	Since 2010, we have spent, on average, more than $148 million each year upgrading facilities and systems to employ the latest technology, improving our operational efficiency, lumber recovery, and environmental and safety performance. We also invest in and deploy new technology in our woodlands operations, leading to improved forest management and logging practices.
	**Reduce inequality within and among countries**	We promote diversity and inclusion in the workplace, and we are committed to providing a workplace that promotes equal opportunities and equal pay. We have set targets to increase the number of employees from under-represented groups within our employee development programs as well as supervisory and skilled trade positions. In 2023, we conducted an audit of our internal diversity practices to help identify opportunities for improvement.
	**Make cities and human settlements inclusive, safe, resilient and sustainable**	When wood products are used in place of non-renewable building materials such as concrete and steel, they reduce the carbon footprint of a building. Wood's inherent properties, including flexibility and light weight, can be an asset for building resilience in high-wind and seismic zones. Through the partnerships that many of our operations and offices have established with Habitat for Humanity affiliates, we are contributing to inclusivity initiatives including Indigenous housing partnership support in Canada and increasing Black homeownership in the US.
	**Ensure sustainable consumption and production patterns**	We are committed to responsible log sourcing and sustainable harvest levels to ensure environmental, economic, and social opportunities for current and future generations. We optimize material use in our manufacturing process by using or selling wood residuals for renewable energy or upcycling into other products. We continue to increase the level of disclosure provided in our annual sustainability reporting, including metrics and targets.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

SUSTAINABLE DEVELOPMENT GOALS	INTERFOR'S ALIGNMENT & CONTRIBUTION
 **Take urgent action to combat climate change and its impacts**	We have set a target to reduce our Scope 1 and 2 greenhouse gas emissions by 40% by the end of 2030, using 2021 as our baseline year. Our sustainable forest management practices can increase and extend the carbon storage capacity of forests. Carbon is stored in the long-lived wood products that we produce, and we supply climate-friendly building products to our customers. We have replaced fossil fuels with renewable biomass energy in many of our kilns and we have participated in wildfire fuel reduction projects to reduce climate-related wildfire risks and improve forest resiliency.
 **Conserve and sustainably use the oceans, seas and marine resources for sustainable development**	Our Sustainable Forestry Initiative® (SFI) and EMS programs include strict requirements regarding the protection of marine ecosystems and resources, and we have participated in restoration projects that support the recovery of Pacific salmon.
 **Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss**	100% of the forested land managed by Interfor is certified to the internationally recognized third-party SFI® standard. We conduct prompt reforestation with a mix of tree species that are native and ecologically suited to each site. We contribute to the conservation of biodiversity through the identification and establishment of ecological reserves, and we support management and recovery initiatives for species at risk.
 **Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels**	Interfor demonstrates strong, industry-leading governance practices. Our directors, officers and employees are all bound and supported by our Code of Conduct & Ethics, Supplier Code of Conduct and supporting policies such as our Human Rights Policy, Anti-Bribery and Anti-Corruption Policy, and Whistleblower Policy.
 **Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development**	By aligning our management and disclosure with internationally recognized standards, such as SFI, the GHG Protocol and the Task Force on Climate-related Financial Disclosures, we are supporting the advancement of a coherent approach to sustainability.

> INTRODUCTION

CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably

> SAFETY

Programs & Certification
Key Metrics
Contractor Safety

> PEOPLE

Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers

> CLIMATE & ENVIRONMENT

Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology

> GOVERNANCE

> REFERENCES & METHODOLOGY

> **APPENDICES**

APPENDIX II

Qualitative Climate Scenario Analysis Risk Summary Tables

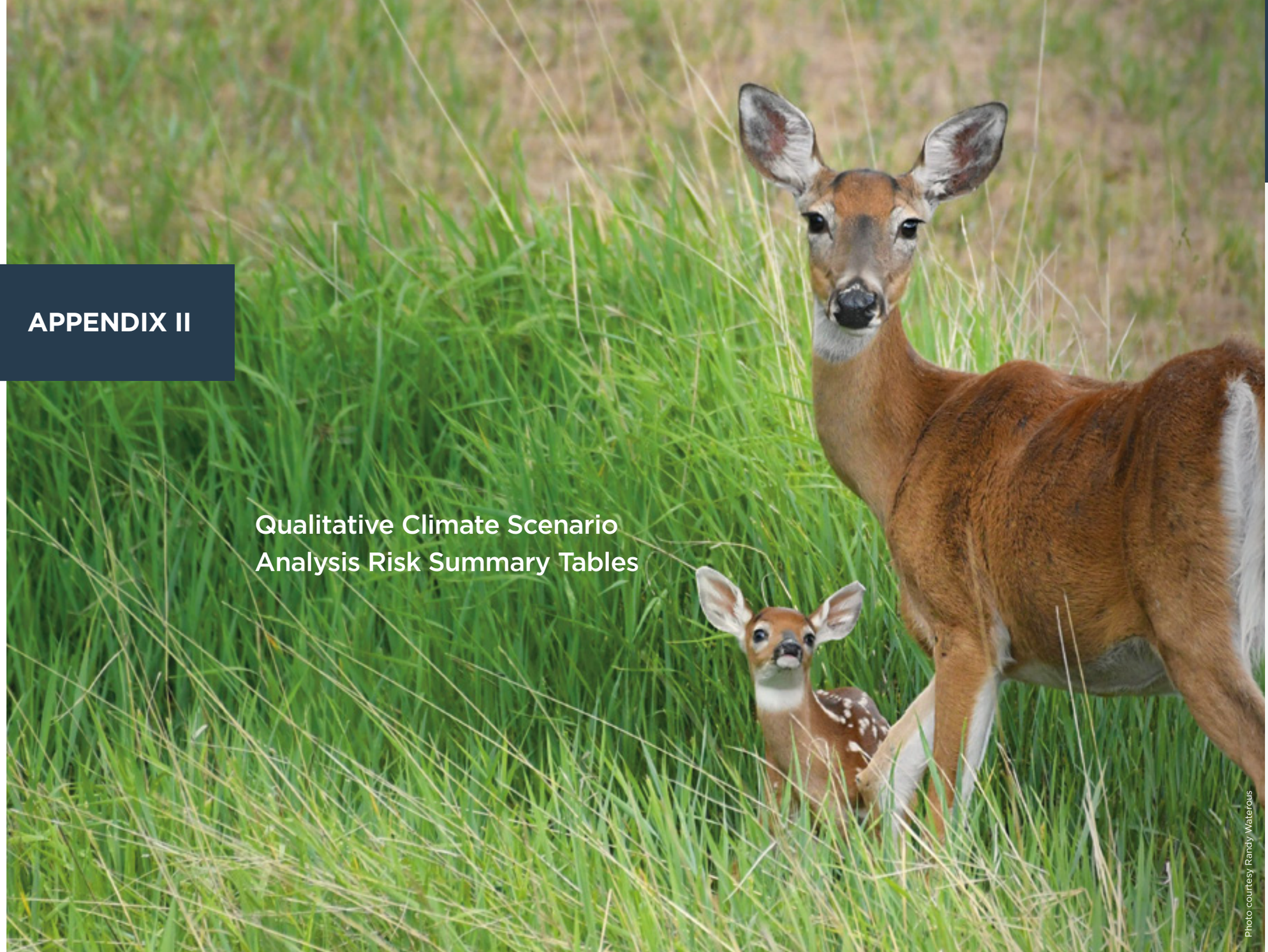


Photo courtesy Randy Waterous

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

SCENARIO: 3-5°C INCREASE		
MODEL USED: AR5 – RCP8.5		
FOCUS: PHYSICAL RISKS		
PHYSICAL RISK	DESCRIPTION AND POTENTIAL IMPACTS	RESILIENCE STRATEGIES AND ACTIONS
Wildfire	Increased wildfires are expected to be driven by hotter, drier weather in forested areas, impacting Interfor operations and supply. (Days >25°C and consecutive dry days, normalized by historical fire weather index.) **Potential impacts**: Reductions to fiber supply and quality, shutdowns (supply chain and operations), liability. All regions.	• Strong wildfire preparedness, prevention and response programs; • Annual fire plans; • Shutdown procedures and restrictions beyond legal requirements; • Daily and continuous weather monitoring protocols; • Fire preparedness inspections; • Fire-watch and fire hazard assessment procedures; and • Forest thinning and fuel reduction projects in wildfire risk areas and around sites.
Extreme high temperatures	Climate change is expected to increase the average temperature, and the number of days of extreme heat and the number of heat waves. (Days >35°C) **Potential impacts**: Shutdowns (operations and supply chain), heat-related illness and injury. All regions, highest potential impact in US South.	• Heat plans that provide guidance on ensuring health and well-being of employees during high heat indices; and • Use of air conditioning units within facilities.
Extreme precipitation	The number of days with high precipitation is expected to increase. (Days per year with 20mm or more precipitation.) **Potential impacts**: Operational disruptions and impacts to log supply, transportation and logistics, increased erosion, and landslide risk in forest operations. All regions, highest potential impact in BC and US Northwest.	• Rainfall shutdown procedures in woodlands operations; • Log supply and inventory flow plans account for seasonal shutdowns; • Culverts and crossings more resilient to debris flows/floods on our forest roads; • Enhanced sediment control measures on erosion-prone sites; and • Watershed Risk Management Framework.
Coastal and river flooding	Increased extreme precipitation will lead to more river floods. Climate change is expected to lead to melting of glaciers and polar ice caps leading to rising seas. (Inundation depth of 100-year flood events and locations projected to be impacted by sea level rise.) **Potential impacts**: Flooding at mill sites adjacent to rivers, flooding of mill sites and woodlands facilities (log dumps and logging camps) at sea level. All regions, more exposure in BC, US Northwest, Eastern Canada and Atlantic Canada.	• Comprehensive flood plans for our at-risk sites; • Snowpack and water level tracking as an advanced indicator of flood potential; • Preventative building and site improvements where water damage has occurred in the past; and • Watershed Risk Management Framework.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

SCENARIO: 3-5°C INCREASE		
MODEL USED: AR5 – RCP8.5		
FOCUS: PHYSICAL RISKS		
PHYSICAL RISK	DESCRIPTION AND POTENTIAL IMPACTS	RESILIENCE STRATEGIES AND ACTIONS
Water stress	Increased droughts and water stress are expected in certain regions. (Increased water stress index.) **Potential impacts**: Gradual, limited, long-term fiber supply impacts across all regions, with greater potential in the US South region.	• Installation of water meters at all sites to track withdrawal; • Goal to establish a water reduction target; • Watershed Risk Management Framework; • Mixed species planting prioritized for new forests to improve resilience, and maintain or enhance ecological diversity; • Selecting seedlings with consideration to their adaptability to future climate changes in the areas where they will be planted; and • Participating in BC's Climate-Based Seed Transfer working group to develop policy and tools that will help guide professionals in climate change forest management decisions.
Hurricanes	Increased incidence of high-category hurricanes and precipitation from hurricanes. **Potential impacts**: Damage to Interfor facilities, production disruptions from damage in surrounding regions (infrastructure, supply chain), and forest destruction (impacts to log supply) in US South and Atlantic Canada regions.	Procedures for severe weather: • Severe weather alarms; • Notification systems for closure of operations due to weather; and • Designated meeting points.
Pests	Increased incidence and severity of pest outbreaks for pest populations controlled by freezing temperatures (number of frost-free days). **Potential impacts**: Timber supply impacts. All regions, greater potential in BC, US Northwest, and Eastern Canada.	• Mixed species planting prioritized for new forests to improve resilience, and maintain or enhance ecological diversity; • Forest health management techniques, such as insect trap trees and root disease control; • Supporting silviculture research in Ontario to assess performance of different seed lots and practices to enhance forest health; • Participating in a five-year, Canada-wide research study "DIVERSE Project: Assessment of a Functional Complex Network Approach to Forest Management"; • Participating in BC's Climate-Based Seed Transfer working group to develop policy and tools that will help guide professionals in climate change forest management decisions; and • Participating in a program led by the Québec government to protect stands impacted by the spruce budworm using BTK, a natural insecticide.

> INTRODUCTION
CEO Message
VP, Woodlands & Chief Forester Message
Building Value Sustainably
> SAFETY
Programs & Certification
Key Metrics
Contractor Safety
> PEOPLE
Employee Development
Diversity, Equity & Inclusion
Recruitment & Culture
Indigenous Peoples
Communities
Customers
> CLIMATE & ENVIRONMENT
Climate Change
Forest Values
Environmental Management
Sustainable Products
Infrastructure & Technology
> GOVERNANCE
> REFERENCES & METHODOLOGY
> APPENDICES

SCENARIO: 3-5°C		
MODEL USED: AR5 - RCP8.5		
FOCUS: PHYSICAL RISKS		
TRANSITION RISK	DESCRIPTION AND POTENTIAL IMPACTS	RESILIENCE STRATEGIES AND ACTIONS
Shifting land use	While the use of wood products can displace higher-carbon energy and building materials, preserving forests for land use goals may impact our log supply. Positions and/or protocols that favor forest preservation for carbon mitigation may impact the available fiber supply. **Potential impacts**: Impacts to fiber supply and quality.	• Continue practicing sustainable forest management and contributing to land use planning discussions; and • Engage with governments on forest carbon and land use protocols to ensure accurate analysis of forest carbon flows.
Reputational risks	Increasing interest from investors and stakeholders regarding biodiversity along with the perception of forestry impacts to biodiversity may be compounded by biodiversity losses due to climate change, resulting in backlash against forest harvesting. **Potential impacts**: Impacts to fiber supply and quality.	• Continue practicing sustainable forest management and providing disclosure on biodiversity programs; • Develop and implement Biodiversity Interface Management Plans; • Contribute to land use planning discussions; • Implement agreements with Indigenous communities that include traditional stewardship approaches; and • Conduct stakeholder engagement and address misinformation regarding harvesting practices.
Carbon pricing to operations	In most models of the low-carbon transition, significant carbon pricing is required to incentivize industries and societies to remove carbon from processes through either reductions in consumption or technological innovation. In these models, carbon prices exceed $250USD/tCO2e by 2030, and become significantly higher in some regions, exceeding $1,000USD/tCO2e (in 2020 currency). Canada currently plans to reach $170CAD/tCO2e by 2030. **Potential impacts**: Increased operating costs.	• Use biomass fuel as a source of energy; • Reduce Scope 1 and 2 GHG emissions by 40% by 2030; and • Increase rail use for medium- and long-haul lumber shipments in the US South.




Respecting Nature.
Building Sustainably.

INTERFOR
Building Value™

Check us out on Facebook, Instagram, YouTube, LinkedIn and TikTok for more good news stories year round.

