


TimberWest

2017 Sustainability Progress Report

TimberWest.com

-  @TimberWest
-  TimberWestForestCorp
-  TimberWestForest
-  TimberWest.com/news





Success for us is being proud of what we achieve and how we achieve it.

— Jeff Zweig, President and CEO of TimberWest

President + CEO Message



Jeff Zweig, President + CEO

TimberWest has operated on Vancouver Island for over a century and is endowed with a wonderful forest resource. We understand our role as stewards of the land for today and for future generations. Our job is to generate value responsibly and sustainably. It is our duty to ensure that the forest ecosystems remain strong and healthy.

Our commitment starts with an unrelenting focus on safety. Thanks to the efforts of the thousands of individuals with whom we work in the field, we achieved a significant reduction in the injury incident rate for the year. However, it was overshadowed by the passing of one of our contractors' employees in a trucking incident.

We must redouble our efforts with a singular drive towards achieving zero harm. We can only claim to be successful when everyone goes home safely, every single day.

Our sustainability commitment encompasses the responsible management of environmental and social impacts, and our respectful relationships with First Nation communities.

We measure ourselves on all of these dimensions to ensure that we are achieving the standards we have set for ourselves. Every day, every year we strive to do better.

This Sustainability Progress Report outlines our results for 2017, along with our commitments and areas of focus for the year ahead. We are on a journey to constantly improve what we do, and how we do it.

We can't do it alone. TimberWest is only successful with the support of First Nation communities, our contractors, and employees. We extend our sincere gratitude to those who have helped us progress on our journey of sustainability in 2017, and we look forward to a successful shared future.

— Jeff Zweig

FOCUS FOR THE YEAR AHEAD

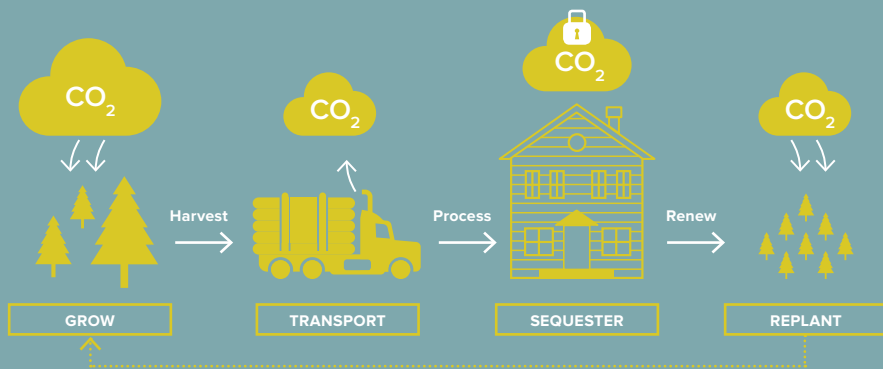
2018 SAFETY ACTION PLAN

Working towards **zero injuries**.
Targeting a **further 18% reduction** in injury frequency.



2018 CARBON STRATEGY

Working Towards Carbon Neutrality.
Targeting a **20% reduction** in burning on-site residuals.



2017 ACCOMPLISHMENTS



39% ↓

DECREASE in
medical incident
rate



0

MAJOR
non-conformances
on independent
environmental audit



**AWARDED
CERTIFICATION**

under Progressive
Aboriginal Relations
(First forestry company in BC)

100% ✓

of managed forest
THIRD-PARTY CERTIFIED
under the Sustainable
Forestry Initiative® (SFI®)



6.2 MILLION SEEDLINGS PLANTED



\$1.4 MILLION DONATED

to Environmental initiatives and local
communities



Founding member and only BC Coastal
forest company in **CANADA'S DIGITAL
SUPERCLUSTER**, committing up to
\$10 Million over 5 years for forestry-
related research and development.



Committed to Safety



Moving from safety compliance to safety commitment has resulted in a remarkable step-change improvement in our safety performance. There is nothing more gratifying than that.

— Brian Baarda, Chief Operating Officer, TimberWest

Our highest priority is safety. Nothing supersedes it. We believe all injuries are preventable and that is our goal. Nothing short of ensuring everyone goes home safely every single day is acceptable.

2017 ACHIEVEMENTS

 **39** %

REDUCTION IN MEDICAL INCIDENT RATE

Achieved below coastal industry average medical incident rate of 2.01 incidents per 200,000 hrs.

2018 INITIATIVES

 **18** %

FURTHER REDUCTION IN MEDICAL INCIDENT RATE YEAR-OVER-YEAR



Best Safety Culture awarded to Spuzzum Contracting, Alben Stromquist and Jesse Stromquist



Safety Leader in Innovation awarded to Coastline Forest Group, Don Bahen and Mary DeLury



Crew Safety Champion awarded to Andy Harvie from Wolf Lake Logging

2017 ACHIEVEMENTS

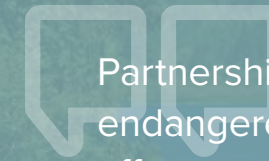
- » **39% REDUCTION IN MEDICAL INCIDENT RATE.** Achieved below coastal industry average medical incident rate of 2.01 incidents per 200,000 hrs.
- » **40% REDUCTION IN HAND-FALLING** by employing tethered machines.
- » **ADOPTED CAMERA TECHNOLOGY to IMPROVE SAFETY** for machine operators and ground crew.
- » **SUCCESSFULLY PILOTED** proximity sensor technology on mobile equipment to alert machine operators of ground crew location.

2018 INITIATIVES

- » **FURTHER 18% REDUCTION** in medical incident rate year-over-year.
- » **REDUCE** hand-falling by an **ADDITIONAL 20%** by employing tethered machines.
- » **PILOT FATIGUE MONITORING SYSTEM** for truck drivers.
- » **IMPLEMENT PROXIMITY SENSOR TECHNOLOGY** across our operations for mobile equipment.



Environmental Leadership



Partnerships with landowners are essential to the recovery of the critically endangered marmot. TimberWest has been an active participant in recovery efforts, and long supported the Foundation through funding and land access.

Adam Taylor, Executive Director, Marmot Recovery Foundation



Environmental stewardship is at the cornerstone of our century-old business. We work hard every day to earn our international reputation as an environmentally responsible supplier of BC coastal timber.

MANAGING OUR LANDS WITH CARE

All of our lands are 100% certified to the Sustainable Forestry Initiative (SFI) 2015–2019 Forest Management Standard.

2017 ACHIEVEMENTS

- » **ACHIEVED 10% REDUCTION** in environmental occurrences.
- » **CONTRIBUTED OVER \$265,000** in financial, in-kind and research support for environmental leadership and conservation initiatives.
- » **DEVELOPED** our Carbon Strategy focused on achieving Carbon Neutrality.
- » **ACHIEVED ZERO MAJOR NON-CONFORMANCES** on independent environmental audit.
- » **DONATED 95 HECTARE SOMENOS LAKEBED** to Ducks Unlimited Canada.
- » **SURPASSED \$1 MILLION IN TOTAL DONATIONS** to the Marmot Recovery Foundation.

2018 INITIATIVES

- » **PURSUE CARBON STRATEGY** focused on reducing CO₂ emissions from all sources, starting with a target reduction in burning harvest residuals **BY 20%**.
- » **FURTHER REDUCE** environmental occurrences **BY 12%**.
- » **IMPLEMENT** the **ISO 14001:2015 STANDARD** at all operations.
- » **CELEBRATE** contractor **ENVIRONMENTAL PERFORMANCE AWARD**.

2017 ACHIEVEMENTS

6.2 MILLION seedling trees planted across our land base



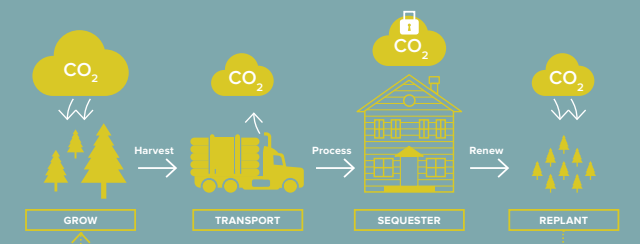
1.2 MILLION juvenile salmon released from hatcheries on TimberWest land

SURPASSED \$1 MILLION



in total donations to the Marmot Recovery Foundation

2018 INITIATIVES



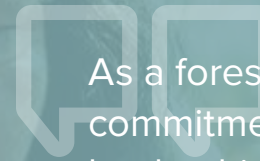
REDUCE our greenhouse gas emissions from the on-site burning of harvest residuals by 20%



PILOT new technologies such as drones and laser projection (LiDAR) to assist in wildlife habitat management



Partnering with First Nations



As a forester by training, I am very pleased that TimberWest has shown its commitment to Indigenous communities by undergoing PAR certification. This leadership demonstrates to other forest companies, and other companies outside BC's forest sector, that strong Indigenous relations make good corporate policy.

— JP Gladu, President and CEO of the Canadian Council for Aboriginal Business



At TimberWest, we are committed to recognizing and respecting the rights of Indigenous peoples. Our goal is to be a respectful, trustworthy neighbour and to foster business relationships with First Nations. We have worked actively over many decades to build collaborative, respectful working relationships with many First Nation groups, and continually work to deepen and strengthen these connections.

At the SFI® 2017 Annual Conference in Ottawa a ceremonial canoe by artist Curtis Wilson, commissioned by TimberWest, was presented to the Honourable Jim Carr, Canada's Minister of Natural Resources, by father of Curtis Wilson Hereditary Chief James Wilson of the We Wai Kai Nation, as a reminder of the important relationship between Indigenous Peoples and Canadian Forests.



PROGRESSIVE ABORIGINAL RELATIONS (OR PAR) CERTIFICATION IS AWARDED BY THE CANADIAN COUNCIL FOR ABORIGINAL BUSINESS

to select companies that have confirmed their respect for First Nation's rights together with commitments relating to indigenous employment, business relationships, and cultural considerations. Certified companies are independently audited and held to account for their systems and outcomes.

2017 ACHIEVEMENTS

- » **FIRST** BC forest company to achieve **CERTIFICATION** under the Progressive Aboriginal Relations (Bronze level).
- » **SIGNED** an additional **2 MEMORANDA OF UNDERSTANDING (MOUs)** with First Nation groups, bringing our total number **to 12**.
- » **DONATED \$25,000** to support both Wei Wai Kum First Nation and We Wai Kai First Nation for Tribal Journeys hosted in Campbell River.
- » **SPONSORED** the First Nations Cultural Art Showcase program **IDENTITY: ART AS LIFE**, featuring First Nation artists from three major language groups on the Coast at a 7 week art show hosted at Vancouver Island University.
- » **SUPPORTED** business initiatives, educational and training opportunities, and work placement experience for 3 First Nation groups.

2018 INITIATIVES

- » **EMPLOYMENT FOR INDIGENOUS GRADUATES** through the Indigenous Intern Leadership Program. The program is designed to build capacity in Indigenous communities, employment diversity, and providing essential workplace mentorship and training.
- » **\$200,000 SET ASIDE TO SUPPORT FIRST NATIONS EDUCATION INITIATIVES**, including scholarships in forestry trades, diploma, and degree programs, along with training dollars for Indigenous Communities and individuals.
- » **SPONSORING THREE FIRST NATION ARTISTS** representing the three major language groups on Vancouver Island in the **TIMBERWEST FIRST NATION CULTURAL ART SHOWCASE PROGRAM**.

2017 ACHIEVEMENTS



Donated **113,000** seedlings for planting on First nations tenures.

\$75,000 DONATED

to support First Nations' culture, education and community events.



PROVIDED

forestry support and imaging data to numerous First Nation partners.



Supporting Communities

Collaborations and contributions from partners like TimberWest show the importance of NGOs, industry and government working together to achieve our shared goals for conservation. This is a powerful model for future partnerships in conservation, creating a bright outlook for conserving wetland habitat and providing viewing and educational opportunities in British Columbia.

— Leslie Bogdan, Director of Regional Operations for British Columbia and National Boreal Programs, Ducks Unlimited Canada

We believe in providing responsible organizations with legal access to our working forest, and working with our neighbours to support important community initiatives that make a difference close to home. After all, we live, work and play in these communities.

2017 ACHIEVEMENTS

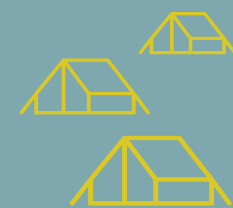
- » **DONATED MORE THAN \$1.135 MILLION TOWARDS COMMUNITY INITIATIVES**, including the **North Island Hospitals Project**, the BC Forest Discovery Centre's new **Modern Forestry** exhibit, the Somenos Wildlife Society **Open Air Classroom**, and the Trans Canada Trail **Sooke Wilderness Regional Trail** connection from Victoria to the Cowichan Valley.
- » **SIGNED TWO LONG-TERM ACCESS AGREEMENTS** with the Nanaimo Mountain Bike Club and the Victoria Fish and Game Club.

2018 INITIATIVES

- » **LAUNCH** the **TIMBERWEST SUMMER STUDENT PROGRAM**.
- » **SIGN TWO ADDITIONAL** long-term access agreements with recreational groups.
- » **SUPPORT** the Boys and Girls Club camp potluck.
- » **FURTHER EXPAND** the Trans Canada Trail on Vancouver Island.

2017 ACHIEVEMENTS

TIMBER DONATIONS for HeroWork's major project building PowerToBe, and donation of timber for new Shawnigan Pavilion in the Cowichan Valley.



Hosted more than **10,000 PEOPLE** at 8 TimberWest campsites.

\$88,000 + DONATED through matched staff donations towards the United Way, the Heart and Stroke Foundation Big Bike event, and BC wildfire relief efforts.



WE WELCOME ACCESS REQUESTS BY QUALIFIED ORGANIZATIONS. LEARN MORE:
timberwest.com/our-neighbours-and-communities/#access



TimberWest