

2016 Sustainability Progress Report: Executive Summary

At TimberWest, we are committed to the health and vitality of our timberlands, and the ecosystems in which we operate.

We strive to be a leader in adopting the best forest science and practices to responsibly manage our operations

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

As a private landowner operating for over a century on Vancouver Island, we understand the need to be a responsible neighbour. We strive to listen carefully and work hard at responding to the needs of First Nations and local communities.

Forestry professionals and operation specialists work together to ensure the best forest land practices are followed and key public values are protected. These include water quality and fish habitat, soil conservation, critical wildlife habitat, and making certain that new forest stands are nurtured for successful growth.

All of TimberWest's forest land is certified to the Sustainable Forestry Initiative® which involves rigorous audits by independent third parties.

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TM&F believes in committed to making technological improvements that help keep people safe. We achieve this through the TimberWest Academy. It means real-life safety advancement can happen on the ground. The best is our technology is a prime example of how companies can work together to improve the safety of high-risk activities in the forest, and we are only proud of that accomplishment.

— Forest Landings, Wood Products, TM&F Industries

Committed to Safety

2016 ACHIEVEMENTS

- ACHIEVED A BELOW COSTAL INDUSTRY AVERAGE MEDICAL INCIDENT RATE OF 3.31 INCIDENTS PER 200,000 WORK HOURS
- COMPLETED AN IN-DEPTH REVIEW OF PRESALVING SAFETY CULTURE ACROSS OPERATIONS AND CUSTOMERS
- WELDED EXPERT TRAINING FOR 200 B.C. TIMBERLAND AND CONTRACTORS' SUPERVISORS

- SUBSTANTIALLY INCREASED MOUNTED RISK ACTIVITY BY OUR OPERATIONS BY ESTABLISHING MOUNTAIN BIKE TRAILS

- REPAIRING UTILITIES FACILITIES ACROSS OUR OPERATIONS TO IMPROVE TRAILER SAFETY

- IMPROVED DEVELOPMENT OF OUR SUPPLY CHAIN WHICH IMPROVES SAFETY AND EFFICIENCY OF WORKERS

2017 INITIATIVES

- TARGET A 5% REDUCTION IN LOST TIME WORK HOURS

- ACHIEVE AN 8% REDUCTION IN CONTRACTOR TRAILER ACCIDENTS

- IMPLEMENT CONSULTING AGREEMENTS TO IMPROVE OPERATIONS

- IMPLEMENT CARESS SYSTEM TO IMPROVE SUPPLY CHAIN SAFETY

FOCUSED ON ENGINEERING THE RISK OUT

At TimberWest safety is not highest priority. Nothing is. We believe all injuries are preventable. That is the goal. Nothing short of ensuring everyone goes home safely every single day is acceptable.

We are focused on three key areas to improve safety performance:

1. ENGINEERING THE RISK OUT

We have been the best on several initiatives that will dramatically reduce the safety risk in our operations. In 2016, we began working with TM&F solutions — a local Campbell River company — on developing a gripper trailer system to eliminate hand spalls. In 2017, all grapple tractors across our operations will be equipped with gripper controls.

In the spring of 2017, we began working with our contractors to implement advanced training measures that our operations with the creation of industry standard hand safety — the highest risk activity in forestry operations. By the end of 2017, eight thousand workers were in training, ensuring they were on steep slopes safe.

2. ENSURING THAT THE RIGHT SAFETY STANDARDS, PROCEDURES + SYSTEMS ARE FOLLOWED

The SAFE Certification process, developed by the British Columbia Forest Safety Council is a benchmark for ensuring that the right safety standards are followed. Companies are evaluated and audited to measure compliance. TimberWest is a proud advocate of the SAFE Certification program. In 2017, we became the first major company to be certified on the BC Coast.

3. IMPROVING OUR SAFETY CULTURE

We are moving our safety culture from basic compliance with the rules and regulations, to one of true commitment at every level to prevent injuries on the work site. In 2016, we brought in Clifford Innes Associates, a leading expert on safety, to conduct a Safety Perception Survey. The results of the survey led to a comprehensive safety improvement action plan which is being deployed and implemented across our operations by all employees and contractors.

2016 Sustainability Progress Report at a Glance

BY THE NUMBERS

» 1st BC forest company to become SAFE Certified

Achieved a below costal industry average medial incident rate of 3.31 incidents per 200,000 work hours in 2016

» 300 million seedlings planted

6 million trees planted in 2016 and 2K+ seedlings donated to stewardship and education groups in 2016

» \$740K+ on wildlife, research, stewardship and conservation initiatives

22 stewardship groups directly supported on valuable research projects for marbled murrelets, salmon habitat, northern goshawks, and water quality monitoring

» 10 MOU's signed with First Nations

4 MOU's signed and \$180K donated to support First Nations' cultural activities in 2016

» \$8 million donated to community and environmental groups

\$280K donated to community organizations in 2016



FOUR PILLARS OF SUSTAINABILITY

COMMITTED TO SAFETY

At TimberWest safety is our highest priority. Nothing supersedes it. We believe all injuries are preventable. That is the goal. Nothing short of ensuring everyone goes home safely every single day is acceptable.

TIMBERWEST ACCOMPLISHMENTS	2016 ACHIEVEMENTS	2017 INITIATIVES
	<ul style="list-style-type: none"> + ACHIEVED A BELOW COASTAL INDUSTRY AVERAGE MEDICAL INCIDENT RATE OF 3.31 INCIDENTS PER 200,000 WORK HOURS + CONDUCTED AN IN-DEPTH REVIEW OF PREVAILING SAFETY CULTURE ACROSS OPERATIONS WITH DUPONT + ROLLED OUT DUPONT TRAINING FOR ALL TIMBERWEST AND CONTRACTORS' SUPERVISORS + SUBSTANTIALLY DECREASED HIGHEST RISK ACTIVITY IN OUR OPERATIONS BY REDUCING CHAINSAW HAND-FALLING + WORKING WITH CONTRACTORS ACROSS OUR OPERATIONS TO IMPLEMENT TETHERED FALLING + SUPPORTED DEVELOPMENT OF GRAPPLE CAMERA SYSTEM WHICH IMPROVES SAFETY AND EFFICIENCY OF WORKERS 	<ul style="list-style-type: none"> + TARGET A 50% REDUCTION IN INJURIES YEAR-OVER-YEAR + ACHIEVE AN 80% REDUCTION IN CHAINSAW HAND-FALLING + IMPLEMENT A DRUG AND ALCOHOL POLICY ACROSS OPERATIONS + DEPLOY CAMERA SYSTEM ON EVERY GRAPPLE YARDER ACROSS OUR OPERATIONS

ENVIRONMENTAL LEADERSHIP

We understand the importance of managing our forests for today and for future generations. Independent auditors regularly assess our performance. We also work closely with wildlife organizations and habitat enhancement groups, technical committees and research groups.

TIMBERWEST ACCOMPLISHMENTS	PAST ACHIEVEMENTS	2016 ACHIEVEMENTS	2017 INITIATIVES
	<ul style="list-style-type: none"> 300 MILLION SEEDLINGS PLANTED + 464K HECTARES OF LAND CERTIFIED TO SFI® + 600K TONNES OF CARBON CREDITS EQUAL TO 120,000 CARS OFF THE ROAD + \$2.1+ MILLION TO HELP PACIFIC SALMON AND MARMOTS + 40K+ HECTARES DONATED, TRANSFERRED OR MANAGED FOR CONSERVATION 	<ul style="list-style-type: none"> 6 MILLION TREES PLANTED + 2K+ SEEDLINGS DONATED TO STEWARDSHIP AND EDUCATION GROUPS + \$740K+ SPENT ON WILDLIFE, RESEARCH, STEWARDSHIP AND CONSERVATION INITIATIVES + 2.8 MILLION JUVENILE SALMON RELEASED FROM HATCHERIES ON TIMBERWEST LAND + 16 LOCAL FUNDRAISERS ATTENDED AND PROVIDED CONTRIBUTIONS 	<ul style="list-style-type: none"> 6 MILLION TREES TO BE PLANTED + CONTINUE FINANCIAL, IN-KIND AND RESEARCH SUPPORT FOR ENVIRONMENTAL LEADERSHIP AND CONSERVATION INITIATIVES + CONTINUE ACTIVE PARTICIPATION ON COMMUNITY WATERSHED ROUNDTABLES + CALCULATE CARBON FOOTPRINT AND SET TARGETS + SECURE SFI® RECERTIFICATION + ACHIEVE ZERO MAJOR NON-CONFORMANCES ON INDEPENDENT ENVIRONMENTAL AUDIT





FOUR PILLARS OF SUSTAINABILITY

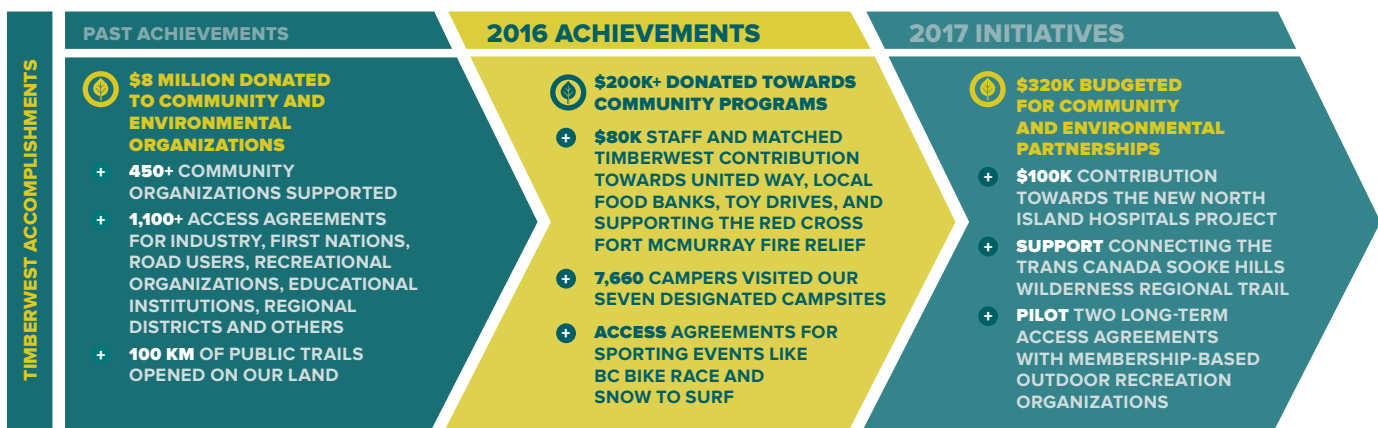
PARTNERING WITH FIRST NATIONS

Our goal is to be a respectful, trustworthy neighbour and to foster business relationships with First Nations where opportunities exist and align with TimberWest's values and operational capabilities in BC.



SUPPORTING COMMUNITIES

We proudly support local initiatives across our communities where we live, work and play. We have supported over 450 separate organizations. We are also committed to providing public access to our lands to responsible individuals and organizations that respect the environment, and the safety of everyone accessing our lands.



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