

PURPOSE

Our mission is to build value in everything we do, every day. That means building value for the communities in which we operate by supporting a healthy economy and environment. We do this, in part, through donations to organizations and programs in the regions where we operate.

Preference is given to the following areas:

- Education
- Environment
- Children/youth
- Health

Special preference should be given to programs with a clear connection to the forest industry or Interfor as a company.

GOALS FOR DIVISIONAL DONATIONS

Each Interfor division¹ operates within a region and has a particular relationship with its surrounding communities. To that end, each Interfor division is given its own annual donation budget to be spent as the divisional leadership sees fit within the parameters defined below.

To reflect Interfor's "One Company, One Culture" goal, each division will have the same donation budget to ensure Interfor's community engagement and generosity are consistent across the company.

The overarching goals for Interfor's divisional annual donations are:

- Promote Interfor within the communities the division operates
- Build positive community relations and awareness of Interfor within the community
- Build morale by showing local employees that Interfor cares about them and their communities
- Support our corporate social responsibility goals

ANNUAL DONATION BUDGET

Each division has an annual budget of up to \$12,500 in its local currency. However, the CEO may increase or decrease this annual budget from time to time.

DONATIONS – CASH & INVENTORY

Donations can be made in cash or inventory (lumber and logs) and inventory donations are valued at cost. Inventory donations may require Interfor to pay sales tax, please check with the Director, Taxation.

¹ For the purposes of this policy Coastal Woodlands is considered a division.

APPROVAL PROCESS

Divisional Approval

The people most qualified to make local donation decisions that achieve the goals stated above are the management at each division. Therefore, donation requests should be approved by the Mill/Woodlands Manager and the General Manager and then submitted to Accounts Payable like a regular invoice.

- [Donation Request Form – SharePoint](#)
- [Donation Request Form – External Website](#)

Corporate Approval

On occasion, a division may receive a donation request that, if filled, would exceed its annual budget. If the division management feels the donation is important to meeting the goals outlined above, the request can be taken to the Vice President, Operations of the region for approval to exceed the regular annual budget.

BUDGET ACCRUAL

Each division's donation budget does not accrue. Any remaining budget not spent by the end of the fiscal year will no longer be available and the budget starts afresh in the next fiscal year.

CODING YOUR CONTRIBUTION

Donation or Sponsorship

From a taxation point of view, there are three different kinds of giving:

- Donation to registered charity
- Donations to unregistered charities, community groups, sport teams, etc.
- Sponsorships of activities or events hosted by any charity, community group or sports team where the group advertises or promotes Interfor

A good rule of thumb is whether you received a charitable receipt. They are only issued for donations to registered charities—not sponsorships or donations to non-registered charities or community groups. Always request a charitable receipt—the organization you are supporting should know if your contribution qualifies for one.

If you receive a charitable receipt, your contribution should be coded under *Donation to Registered Charities*. If you do not receive one, your donation should be coded under *Sponsorships/Donations to Unregistered Charities or Community Groups*.

For those interested, here are two good websites that clarify the difference:

- [Sponsorship VS Donation in Canada](#)
- [Sponsorship VS Donation in USA](#)

Political Donations

Political donations, such as a contribution to a political party or candidate, are advocacy rather than charity. They are processed and tracked differently than charitable donations. All requests for political donations should be sent to the Vice President & Chief Forester for donations in Canada, the Manager, Public Affairs US South for donations in the US South region, or to the General Manger, Northwest Stud Mills for donations in the US Northwest region.

Advertising

Each division is approached from time-to-time for advertising from the community—local papers and radio stations being most common.

Advertising is different from sponsorship in that there is no non-profit or community event involved. For example, a division might be asked to advertise in the local paper's special employment insert or the local radio station may ask you to run ads about workplace safety. Interfor's Communications team can help with the design and purchase of these advertisements and they should be paid for out of a division's advertisement budget.

Contributions to First Nations Communities

Coastal and Interior Woodlands in BC make contributions to First Nations communities both as part of Interfor's forestry agreements with those communities and also as part of general goodwill building. These contributions do not fall within the scope of this Divisional Donation Policy. For information on how to code and track these contributions, please contact the Vice President & Chief Forester, and the Director of Finance, BC Operations.

General Ledger Coding

We are better able to track Interfor's charitable giving and sponsorship if we all use the same codes:

- Donations to Registered Charities: **801525** (*Charitable receipt received.*)
- Sponsorships/Donations to Non-Registered Charities or Community Groups: **801595** (*No charitable receipt received.*)
- Political Donations: **807597**
- Advertising: **801000**

SUMMARY

If you have any questions about a charitable or sponsorship request, or an advertising inquiry, please contact our Manager, Corporate Affairs at (604) 422-7329 or svetlana.kayumova@interfor.com and they will provide additional direction and support.

END OF POLICY