

2022

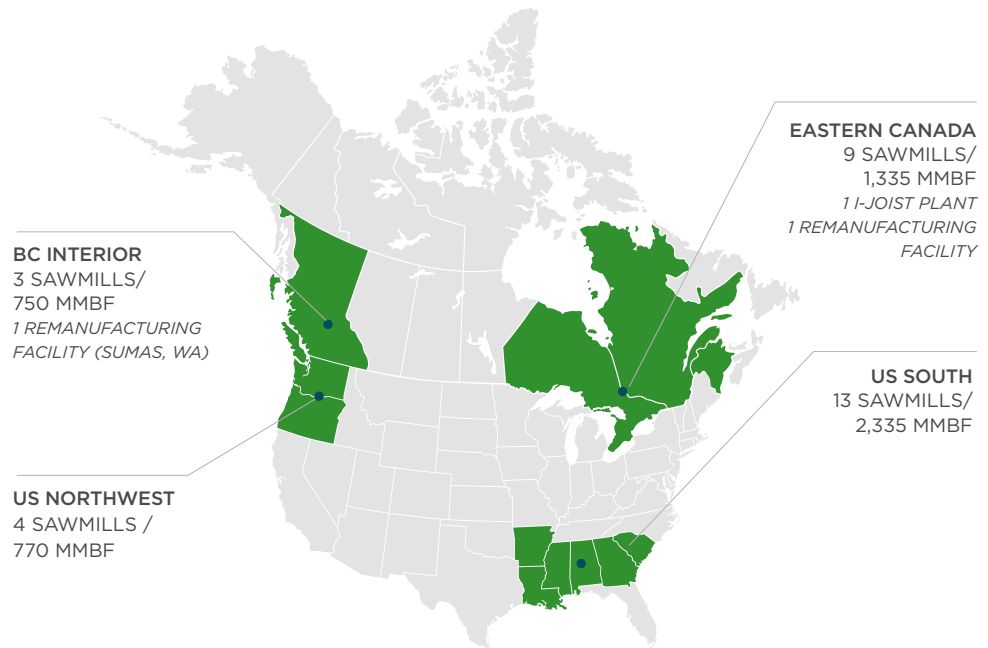
SUMMARY

SUSTAINABILITY REPORT

Building value through sound environmental,
social and governance practices

We have transformed Interfor into one of the world's largest and fastest growing forest product companies, and we intend to ensure our sustainability performance is as significant as our continued growth objectives.

IAN FILLINGER
President and CEO



INTRODUCTION

Interfor is one of the world's largest lumber producers, with well-positioned facilities across all major timber-producing regions of North America. In 2022, we transformed our Company through two acquisitions, adding nine sawmills with approximately 1.3 billion board feet of annual lumber production capacity, an I-joist plant and a remanufacturing facility. Through this growth, we welcomed 1,700 new employees and diversified our operations into the provinces of Ontario, Québec and New Brunswick. We also acquired the rights to an annual 4.4 million cubic meters of sustainably managed and third-party certified fiber supply in Eastern Canada. Interfor's total annual

lumber production capacity has increased to approximately 5.2 billion board feet with these acquisitions.

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. In 2022, we worked to develop a company-wide Sustainability Strategy, defining 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 embracing world-leading standards and relevant goals.

This summary version of our 2022 Sustainability Report provides an overview of our Sustainability Strategy and includes highlights from each chapter of our full report. For more information, including references and methodology for all metrics in this report, see our full **2022 Sustainability Report**.

Respecting Nature. Building Sustainably.

A Sustainability Strategy to Match our Growth Ambition

OUR PURPOSE

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

OUR GOALS AND TARGETS

SAFETY

Our goal is that everyone returns home safely.

- Reduce our medical incident rate (MIR) by 3% every year as we grow, leading to an MIR of <2.0 by the end of 2030; and
- Zero serious injuries.

PEOPLE

Our goal is to develop a workforce that reflects the diversity and strengths of our communities.

We will complete an audit of our diversity practices in 2023.

By the end of 2025:

- 30% of our Board of Directors will be women;
- 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.

CLIMATE

Our goal is to have a positive influence on the climate and 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;
- Set water and waste reduction targets by the end of 2023;
- Implement Biodiversity Interface Management Plans at 100% of our sawmill facilities by the end of 2024; and
- Maintain third-party internationally recognized sustainable forest management certification and chain-of-custody certification for 100% of our woodlands and sawmills, respectively.

While not explicitly addressed in our sustainability goals and targets, other actions such as our support for local communities, investments in our operations and strong governance are a foundational part of our Company and integral to our approach to sustainability. See our full **2022 Sustainability Report** for details.

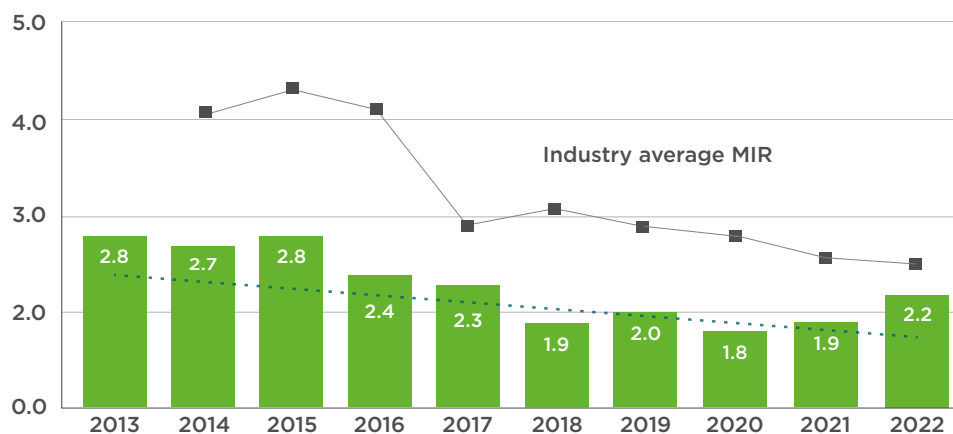
Leading the Way in Workplace Safety

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 indicates that we are making progress, with an incident rate below industry average and a decline in the average severity of incidents. We remain keenly focused on the work we can do every day to reach our zero-injury target.

Medical Incident Rate (MIR)

MIR represents the rate of recordable incidents per 100 employees working full time in a year. It is calculated by multiplying the number of recordable incidents by 200,000 and dividing this by the number of hours all employees actually worked. Recordable incidents include: medical treatments, lost-time incidents, restricted work incidents, and fatalities.



In 2022, we saw an increase in our company-wide MIR, a change from our previous trend of MIR reductions. Changes in MIR across our company reflect multiple and complex factors, including regional variations. Like every single incident, a rise in our incident rate leads us to investigate, learn and find ways we can improve.

Eliminating Serious Injuries

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. Serious injuries

are a subset of work-related employee recordable injuries. They include life-threatening or life-altering injuries or injuries that result in a fatality. Currently serious injuries make up approximately 6% of all our recordable injuries.

SAFETY

IN 2022, WE COMPLETED NEARLY 49,000 PROACTIVE SAFETY REPORTS INCLUDING NEAR-MISS REPORTING, HAZARDS IDENTIFIED AND SAFETY ACTIONS, AN AMOUNT THAT IS EQUAL TO APPROXIMATELY TEN REPORTS PER EMPLOYEE.

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. **This goal translates to an MIR of <2.0 by the end of 2030.**

Our People

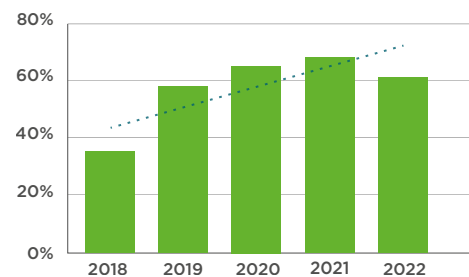
Interfor builds value for employees by providing a career where they contribute, grow and prosper.

At Interfor, we invest in our people because we know the best talent is home grown. We provide meaningful opportunities for our employees to grow, prosper and develop their abilities under the guidance of experienced and skilled mentors. Our focus on internal talent can be seen in our trend for internal hires. Over the past five years, we nearly doubled the number of job openings filled by internal promotions.

We know how important and beneficial it is to have a diverse workforce and an inclusive culture, and understand that fostering both 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

Internal Promotions



our baseline, identify and work with best practices, and implement targets to drive change.

All metrics are as of December 31, 2022. For details on the data included in our targets and related performance please see the References & Methodology section in our **2022 Sustainability Report**.

PEOPLE

TARGETS AND PERFORMANCE			
YEAR	TARGET (by end of 2025)	PERFORMANCE	
		2021	2022
Women on our Board of Directors	30%	27%	27%
Employees in leadership & development programs from an under-represented group	40%	28%	28%
Hourly trades/skilled workforce from an under-represented group	30%	21%	26%
Women in our hourly workforce	15%	7%	7%
Women supervisors and superintendents	15%	6%	9%
We have set a target to complete an audit of diversity practices by the end of 2023.			

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



OUR GOAL

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



We have set a number of specific targets to increase diversity in our leadership and workforce by 2025, and have also set a target to complete an audit of our diversity practices by the end of 2023.

Taking Action to Combat Climate Change

Interfor recognizes the global significance of climate change and our role in tackling this important issue by reducing our own environmental impacts and advancing sustainable wood products as part of the climate solution.

We're in the business of carbon storage



The lumber we manufacture stores more carbon than

is emitted during its production, and results in significantly lower GHG 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 six million tonnes of carbon stored in the lumber sold by Interfor in 2022.

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. 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 reforestation following harvest translates to a continuous uptake of carbon by managed forests and forest management 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 20,000 cars off the road annually.

CLIMATE

See Interfor's **2022 Sustainability Report** for:

- Details on metrics and target methodology;
- Additional metrics;
- Alignment with the Task Force on Climate-related Financial Disclosures; and
- Climate Scenario Analysis.

82% OF THE ENERGY WE CONSUMED IN 2022 WAS FROM RENEWABLE SOURCES SUCH AS BIOMASS, HYDRO AND SOLAR POWER GENERATION.

OUR GOAL

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



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

Conserving Forest Values: Biodiversity and Conservation

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

14+ MILLION

trees were planted by Interfor in 2022 in the woodlands we manage, including 20 different species.

Our team of professionals, whether working in log procurement or forest land management, is passionate about protecting wildlife, biodiversity and forests of high conservation value.

Planting trees is part of our business

Interfor manages forests sustainably and does not engage in any deforestation or conversion of forests to non-forest use.

We plant an average of three trees for every tree harvested

We use only species that are native and ecologically suitable to the sites on which they are planted. We monitor young trees for up to 20 years following planting, and during this time, we assess tree growth and health, and take actions needed to ensure the success of the new forest.

Biodiversity and 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 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.

FORESTS



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

100% of our lumber manufacturing operations are certified to internationally recognized Fiber-Sourcing and Chain-of-Custody standards

ENVIRONMENT

Reducing Environmental Impacts

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 harvesting operations in the US and Canada.

We have environmental monitoring programs in place pertaining to water use, air emissions, waste management, fuel handling and spill prevention. We use third-party auditors to conduct compliance audits with a scoring system to track our performance.

Water	Air	Waste	Fuel & Chemicals
<p>We recognize that water is a universal human right, and our EMS programs have strict guidelines for protecting water quality both in our mills and our woodlands operations. Although our operations are a relatively small water user compared to other industries, we understand that there is always room for improvement.</p>	<p>We minimize air emissions from our manufacturing facilities using pollution control technologies suited to each site. We identify and report the air emissions produced as required by applicable legal and regulatory requirements.</p>	<p>We recycle or repurpose more than 99% of our waste and residual materials. Our sawmill residuals, such as sawdust, shavings, chips and bark are recycled or repurposed for many uses from energy to landscaping. We also produce limited amounts of other hazardous and non-hazardous waste and recycling.</p>	<p>Our manufacturing facilities and woodlands operations have strict guidelines that specifically address handling fuel and other chemicals around water sources. 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.</p>

Reporting of metrics associated with water withdrawal, air emissions, waste produced and notable spills can be found in our **2022 Sustainability Report**.

As part of our Sustainability Strategy, we have set a goal not just to reduce or eliminate environmental impacts, but to have a positive influence on the environment.

In order 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.

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

TARGET**STATUS**

Install water withdrawal meters at 100% of our sites by the end of 2023.

91% complete for US and BC and, 43% complete for Eastern Canada operations acquired in 2022.

Set water and waste reduction targets by the end of 2023.

Water meter installation and data collection will inform targets.

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

Template drafted and circulated to all regions.

Achieve 100% completion of all legal and internal compliance tasks.

99% for 2022.

Building Economic Partnerships with Indigenous Peoples

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

Our Canadian operations are within the territories of more than 90 Indigenous communities. Since 2010, we have signed nearly 150 individual agreements with 47 Indigenous communities, leading to a host of mutual benefits. We are committed to reconciliation and further expanding Indigenous participation and benefits within the forest industry.

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

- recognizes the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP);
- acknowledges the Calls to Action of Canada's Truth and Reconciliation Commission and seeks opportunities to take action on those applicable to our business; and
- commits to meaningful consultation including, where possible, the free, prior and informed consent (FPIC) of First Nations before proceeding with developments.

Partnership Highlights



23 new agreements signed in 2022



Over the past two years, \$23.3 million in financing was provided by Interfor for projects that supported Indigenous economic development and capacity building.



36% of BC Woodlands contractors had Indigenous employees or were Indigenous-owned in 2022.

INDIGENOUS

The foundations of our agreements with our Indigenous partners can be organized into five categories. Each supports the integral role that Indigenous Peoples have in the future of a strong, viable and sustainable forest economy in Canada.

Governance

Agreements that define our respective interests, identify common visions and objectives, and provide a framework for how we will work together.

Economic Benefit and Revenue

Partnerships built on the principle that Indigenous Peoples should benefit from resource development in their territories.

Stewardship and Sustainability

Joint planning processes that incorporate traditional knowledge and Indigenous values into harvesting plans.

Capacity Building and Employment

Opportunities to support and grow internal capacity through employment and forestry services opportunities.

Community Engagement

Engagement in and support for community initiatives, events and projects, leading to stronger relationships and making Interfor a better partner.

Working with Communities and Contributing to Healthy Local Economies

Interfor builds value for communities by supporting a healthy economy and environment, and we do this through meaningful engagement and community support.

Giving Back to the Community

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.

- **Habitat for Humanity Partnership**

In 2022, we were excited to announce a formal partnership with Habitat for Humanity International. On a corporate level, Interfor made donations that support our diversity and inclusion initiatives, such as Indigenous housing partnership support in Canada and increasing Black homeownership consultancy in the US. Additionally, Interfor operations and offices were partnered with Habitat for Humanity affiliates in local communities to create impact by identifying engagement opportunities and establishing long-term relationships.

- **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.

Engaging with the Community

Through a number of broad formal frameworks along with local forums and events we actively share information with the public and communities in and around our mills and woodlands operations.

Sharing our Passion for Sustainable Forestry

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.

COMMUNITIES



\$1.2 MILLION+ in total annual
donations in 2022

PRODUCTS

Providing Sustainable Products and Unmatched Customer Service

Trust and honesty create space for innovation. Through partnerships with distribution partners and secondary manufacturers, we explore value creation collaboratively to provide cost-effective products for a wide range of end users.

Building and Maintaining Value

At Interfor, we recognize the responsibility we have when working with this valuable natural resource. It is our job to maintain and maximize the value of every tree harvested. We do this through our approach to sustainable forest management, sawmill optimization, investment in technology and a culture of operational excellence—efforts that all drive recovery. 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 a wide range of end users, from pro- and custom builders to homeowners and hobbyists.



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.*

Upholding our Promise to Customers

Our performance tells the story of our commitment to build value for our customers by delivering quality products on specification and on time. We're committed to ensuring that our customer service continuously improves and adapts to our customer and partner needs. We conduct periodic customer surveys to solicit feedback on what we do well, and where there is room for improvement.



WOOD IS GOOD.

Wood is the ultimate natural, renewable and versatile building material. From houses and other 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.

Investing in Infrastructure and Technology

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

For the last decade, we've spent an average of more than \$130 million per year upgrading or investing in our existing facilities and systems and employing the latest technology.

We're five 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 as well. Accomplishments in 2022 included the completion of:

- a major sawmill upgrade at our Eatonton Division in Georgia;
- planer upgrades at our Castlegar Division in BC; and
- sawmill upgrades at our Perry Division in Georgia.

Investment in modern and efficient technology continues to be a 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:

- major site-wide rebuilds at our Thomaston Division in Georgia;
- a second phase to the modernization



Through our strategic capital investment program, we have embraced continuous dry kiln (CDK) technology. The installation of CDKs allows for more efficient drying operations than traditional batch kilns. Kiln manufacturers estimate a 20 to 25% improvement in kiln efficiency, resulting in reduced energy consumption and GHG emissions.

of our Georgetown Division in South Carolina; and

- selected investments at our Summerville Division in South Carolina, Bay Springs Division in Mississippi and Fayette Division in Alabama.

INFRASTRUCTURE & TECHNOLOGY

Embracing Technology in Forest Management

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 that work with us. For example, collection of remote sensing LiDAR (Light Detection and Ranging) data allows us to compile highly detailed data about the lands we manage, including 3D models or images right down to individual trees in vast areas of forest. Immersive technology and utilization of this data has enhanced our ability to plan or support road and cutblock layout remotely.

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. Some highlights include:

- We have research partnerships with Clemson University and Abraham Baldwin Agricultural College studying the effects of different silviculture practices.
- We provide in-kind support to the BC Wildlife Federation's efforts to study and restore mule deer populations.
- We are providing support to a research project in Ontario seeking to develop and refine effective recovery and management strategies for Eastern Whip-poor-will.
- We are participating in a research study investigating the use of mycorrhizal fungi to inoculate tree seedlings as an alternative to herbicide application.



Drone technology has wide-ranging and highly beneficial applications in forest management. In our BC woodlands, we use drones and GIS (Geographic Information System) 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 (Global Positioning System)-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.

GOVERNANCE

Leading with Strong Governance and Accountability

Our industry-leading governance practices and policies promote the long-term interests of our stakeholders, ensure that we operate sustainably, and build public trust in our Company. They are built on a framework of written policies and guidelines, which we update and enhance regularly.

Code of Conduct & Ethics

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.

Whistleblower Policy

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 2022, 40 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.

Other Policies

Along with the Code and Whistleblower Policy, all our corporate governance policies are publicly available on the Interfor website. Some highlights include:

- **Diversity Policy**
- **Human Rights Policy**
- **Health and Safety Policy**
- **Environment Policy**
- **Anti-Bribery and Anti-Corruption Policy**
- **Compensation Policy**
- **Majority Voting Policy**
- **Insider Trading Policy**
- **Sustainable Forestry and Log Procurement Policy**
- **Indigenous Relations Policy**

11 DIRECTORS
10 INDEPENDENT | 91%
3 WOMEN | 27%

100% COMMITTEE INDEPENDENCE
ANNUAL BOARD MEMBER ELECTIONS

96.96% VOTE IN SUPPORT OF CEO
INDEPENDENT BOARD CHAIR

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, which 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.

Information Security Governance Council

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 cyber security 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.



Respecting Nature. Building Sustainably.



*Check us out on
Facebook, Instagram,
YouTube and LinkedIn.*